

DATED

(1) <<Supplier>>

(2) <<Buyer>>

LONG TERM SUPPLY OF GOODS AGREEMENT

THIS AGREEMENT is made the day of

BETWEEN:

- (1) <<Name of Supplier>> [a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at] **OR** [of] <<insert Address>> (“the Supplier”) and
- (2) <<Name of Buyer>> [a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at] **OR** [of] <<insert Address>> (“the Buyer”)

WHEREAS:

- (1) The Supplier carries on the business of [manufacturing and] selling the Goods.
- (2) The Buyer carries on the business of manufacturing and selling Finished Goods, and wishes to purchase the Goods from the Supplier for that business.
- (3) The Supplier is willing to supply the Goods to the Buyer on the terms set out in this Agreement.

IT IS AGREED as follows:

1. Definitions and Interpretation

1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

- | | |
|-----------------------------------|--|
| “Business Day” | means, any day (other than Saturday or Sunday) on which ordinary banks are open for their full range of normal business in <<insert location>>; |
| “Commencement Date” | means <<insert date>>; |
| “Confidential Information” | means, in relation to either Party, information which is disclosed to that Party by the other Party pursuant to or in connection with this Agreement (whether orally or in writing or any other medium) which is by its nature confidential or is expressly stated to be confidential or marked as such; |
| “Expert” | means an independent and suitably qualified third party to whom a reference is made under Clause 8; |
| “Finished Goods” | means the Goods listed in Schedule 3; |
| “Goods” | means the Goods to be supplied by the Supplier detailed in Schedule 1; |

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“Quarter”	means the period of three months commencing on the first day of the consecutive period of three months commencing on the first day of the Quarter and ending on the last day of the Quarter and “Quarterly” means occurring once in every such period;
“Rejection Notice”	means a written notice from the Buyer to the Supplier stating that the Goods are defective Goods, and stating that the Buyer rejects the Goods;
“Specification”	means the Goods set out in the Specification of the Goods agreed between the Supplier and the Buyer from time to time;
“Year”	means a period of 12 months from the date of this Agreement and “Yearly” means once in every such period of 12 months of this Agreement.

- 1.2 Unless the context otherwise requires, the following definitions apply in this Agreement to:
- 1.2.1 “writing”, and any other communication effected by any means, including facsimile transmission or electronic transmission;
 - 1.2.2 a statute or a provision of law, and any subordinate provision as amended or otherwise;
 - 1.2.3 “this Agreement” is the Agreement and each of the Schedules as amended or otherwise;
 - 1.2.4 a Schedule is a schedule to this Agreement;
 - 1.2.5 a Clause or paragraph is a Clause or paragraph of this Agreement (other than the Schedules);
 - 1.2.6 a “Party” or the “Parties” means the Supplier and the Buyer to this Agreement; and
 - 1.2.7 a reference to the “Company” shall also refer to any directors, officers, employees, agents, servants, or representatives of that Party.
- 1.3 The headings used in this Agreement shall be for convenience only and shall have no effect upon the interpretation of this Agreement.
- 1.4 Words imparting the singular shall include the plural and vice versa.
- 1.5 References to any gender shall include the other gender.
- 1.6 References to persons shall include corporations and other legal entities.

2. Supply of the Goods

- 2.1 Subject to the provisions of this Agreement, the Buyer shall accept orders from the Supplier on the Commencement Date.
- 2.2 Every order shall allow the Buyer a lead-time of <<insert period, e.g. 1 Quarter>> between the date of the order and the delivery date, such date to be specified by the Buyer.

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- 2.3 During the continuance of the Agreement, the Supplier shall sell and the Buyer shall purchase such quantities of the Goods as may be ordered by the Buyer from time to time under sub-Clause 2.2, on the terms and conditions of this Agreement.
- 2.4 The Buyer shall, not less than <<insert period>> Business Days before the beginning of each Quarter, place an order for the Goods to be delivered to the Buyer during the Quarter. The order so given shall be final, and no amendment to an order shall be made by the Buyer within <<insert period>> Business Days after the order is given.
- 2.5 Orders for the Goods shall be placed with the Supplier in writing or, if given orally, shall be confirmed in writing not more than <<insert period>> Business Days after the order is given by the Buyer.
- 2.6 The Buyer shall notify to the Supplier its estimated orders for the Goods for each Quarter, not less than <<insert period>> months prior to the beginning of each Quarter, not less than <<insert period>> weeks and <<insert period>> days immediately after they are made.
- 2.7 If the Buyer's orders for the Goods in any Quarter exceeds (or appears from any estimate or revised estimates given pursuant to sub-Clause 2.6.3 to exceed) the Supplier's output capacity or available capacity for that Quarter, the Supplier shall advise the Buyer; and the Buyer shall be liable for the quantity of the Goods ordered in excess of that capacity with the Buyer's order. The Supplier shall not be deemed to be in breach of this Clause (or sub-Clause 2.7.1) until such time as the Supplier has given written notice (together with such supporting information as the Supplier may reasonably require) to the Buyer of that quantity in excess of capacity and the Buyer has not given notice in writing to terminate any alternative arrangements made with any other party for the supply of that quantity in excess of capacity.
- 2.7.1 the Supplier shall advise the Buyer;
- 2.7.2 the Buyer shall be liable for the quantity of the Goods ordered in excess of that capacity with the Buyer's order;
- 2.7.3 that quantity shall be supplied by the Supplier only of sub-Clause 2.3 (and, therefore, to the extent that the Supplier is able to supply) and the Buyer shall not be deemed to be in breach of this Clause (or sub-Clause 2.7.1) until such time as the Supplier has given written notice (together with such supporting information as the Supplier may reasonably require) to the Buyer of that quantity in excess of capacity and the Buyer has not given notice in writing to terminate any alternative arrangements made with any other party for the supply of that quantity in excess of capacity.
- 2.7.3.1 the Supplier shall advise the Buyer;
- 2.7.3.2 the Buyer shall be liable for the quantity of the Goods ordered in excess of that capacity with the Buyer's order;
- 2.8 The Supplier shall not be deemed to be in breach of this Clause (or sub-Clause 2.7.1) until such time as the Supplier has given written notice (together with such supporting information as the Supplier may reasonably require) to the Buyer of that quantity in excess of capacity and the Buyer has not given notice in writing to terminate any alternative arrangements made with any other party for the supply of that quantity in excess of capacity.

3. Conditions of Sale

- 3.1 The Buyer shall only use the Goods supplied by the Supplier in the

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6. Defective Goods

- 6.1 The Buyer shall, within <<insert period>> days of the arrival of each delivery of the Goods at the Buyer's premises, submit a Rejection Notice to the Supplier specifying any defect which the Buyer alleges that the Goods delivered are not in accordance with the Specification and which should be apparent on reasonable inspection.
- 6.2 If the Buyer fails to give such notice, except in respect of any defect which is not one which should be apparent on reasonable inspection, the Goods shall be conclusively deemed to be in accordance with the Specification, and the Buyer shall be deemed to have accepted the delivery of the Goods. The Supplier shall have no liability to the Buyer with respect to such Goods.
- 6.3 If the Buyer gives such Rejection Notice, the Supplier shall, at the request requested to do so by the Buyer:
 - 6.3.1 supply replacement Goods in accordance with the Specification (in which the Supplier shall not be deemed to be in breach of this Agreement); or
 - 6.3.2 notify the Buyer that the Supplier has obtained from any other party such quantity of Goods as the Supplier has been unable so to supply.
- 6.4 If there is any difference of opinion between the parties as to whether any Goods supplied by the Supplier are in accordance with the Specification the matter shall, at the request of either party, be determined by an Expert.
- 6.5 Nothing in this Clause 6 shall affect the liability of the Supplier to the Buyer under any other provisions of this Agreement (including the Consumer Protection Act 1987).

7. Price and Payment

- 7.1 Subject to the following provisions, the price for each type of Goods shall be the Supplier's published price for such Goods.
- 7.2 The Supplier shall be entitled to vary the prices for the Goods at the end of each Year, or more frequently in its sole discretion, consistent with the extent that the Supplier, in its sole discretion, is justified by any material increase in the prices of raw materials or other supplies used by the Supplier in the manufacture of the Goods, and the Supplier shall notify the Buyer of any such increase.
- 7.3 The Supplier shall be entitled to charge the Buyer for the Goods to cover any extra expense resulting from the Buyer's failure to provide or lack of instructions.
- 7.4 The price for the Goods shall include:
 - 7.4.1 any costs of packaging of the Goods; and
 - 7.4.2 any value added tax or other duty, which shall be added to the sum in clause 7.1.



7.5 The Supplier shall invoice the Buyer for the Goods in respect of each Quarter for the price in respect of the Goods made under this Agreement during the previous Quarter. The Buyer shall pay the sums shown to be due by <<insert name of bank>> to such bank account as the Supplier may from time to time advise in writing within <<insert period>> Business Days from the date the invoice is submitted by the Supplier.

7.6 If either Party fails to pay or perform its obligations under this Agreement, the other Party shall be entitled to the remedy of the other Party:

7.6.1 that amount shall be payable to the Party in default until payment is made in full at a rate of <<insert rate>>% per cent above the <<insert bank name>> and after any judgment;

7.6.2 in the case of an outstanding amount payable from the Buyer, the Supplier shall be entitled to withhold deliveries of the Goods until the outstanding amount is paid by the Supplier from the Buyer.

8. Expert Determination

8.1 Where under sub-Clause 6.1 a dispute shall arise between the Parties, the matter shall be referred at the request of either Party to an independent third party <<insert name of independent third party>> or to a person as may be appointed by the Parties or, in default of agreement, nominated on behalf of the Parties by the President for the time being of <<insert name of association>>.

8.2 Any Expert to whom a reference is made under Clause 8.1 shall act as an independent expert and not as an arbitrator. The Expert shall appoint such technical expert or experts as he/she may deem fit to assist him/her in determining the matter referred to him/her. His/her decision shall be given by him/her in writing and shall be final, binding and enforceable on the Parties.

8.3 Each Party shall provide all information as he/she may reasonably require for the determination; if either Party claims any such information to be confidential, then, provided that in the opinion of the Expert that Party's information is in fact confidential, the Expert shall not disclose the same as confidential, to the other Party or to any third party.

8.4 The costs of any Expert appointed by him/her) shall be borne by the Parties in equal proportions as the Expert may determine to be fair and reasonable in the circumstances, or, if the Expert makes no such determination, in equal proportions.

9. Confidentiality

9.1 Each Party undertakes that it shall not disclose to any third party any information by sub-Clause 9.2 or as authorised in writing by the other Party at all times during the continuance of this Agreement and for a period of <<insert period>> years] after its termination:

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- 9.1.1 keep confidential all Confidential Information;
- 9.1.2 not disclose any Confidential Information to any other party;
- 9.1.3 not use any Confidential Information for any purpose other than as contemplated by and for the purposes of this Agreement;
- 9.1.4 not make any copies of Confidential Information or part with possession of any Confidential Information;
- 9.1.5 ensure that none of the Confidential Information disclosed by that Party, to its employees, agents, subcontractors or advisers, or any other person, would be a breach of the provisions of sub-Clauses 9.1.1 to 9.1.4 above.

- 9.2 Either Party may:
 - 9.2.1 disclose any Confidential Information:
 - 9.2.1.1 any sub-contractors of that Party;
 - 9.2.1.2 any governmental bodies or regulatory body; or
 - 9.2.1.3 any employee, agent, subcontractor or adviser of that Party or of any of the bodies mentioned in sub-Clauses 9.2.1.1 and 9.2.1.2 above; provided that to such extent only as is necessary for the purposes contemplated by this Agreement (including the supply of the Goods), or as required by law, that Party shall first inform the recipient of the Confidential Information in writing and ensure that the recipient is to any such body (including an officer of any such body) by a written confidentiality undertaking from the recipient. The confidentiality undertaking should be as nearly as practicable in the form set out in Clause 9, to keep the Confidential Information confidential and (except as required) disclose it only for the purposes for which the disclosure is necessary.
 - 9.2.2 use any Confidential Information for any purpose, or disclose it to any other person, to the extent that it is not in the public knowledge through no fault of that Party. In the event of any such disclosure, that Party must ensure that the Confidential Information which is not public knowledge is kept confidential in accordance with their terms [indefinitely] OR [for a period of <<insert period>> years after termination], notwithstanding the provisions of Clause 9.1.5 above.

10. Indemnity

- 10.1 The Supplier shall indemnify the Buyer in respect of all actions, proceedings, claims, demands, costs, awards and expenses (including reasonable legal costs) howsoever arising, as a result of any claim made by the Buyer or the Supplier (save to the extent that such claim is caused wholly or in part by any acts or omissions of the Buyer, its employees, agents, subcontractors or advisers).
 - 10.1.1 for the infringement of any intellectual property rights arising out of, or in connection with, the supply of the Goods.

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- 10.1.2 in relation to the Goods in connection with, the Supplier's breach, not to delay in the performance of its obligations under
- 10.1.3 for death or personal injury or property arising out of, or in connection with, a claim (only to the extent that such defects are attributable to the omissions of the Supplier, its employees, agents or subcontractors) "defects in Goods" in this Clause 10.1.3 means defects in the Goods of the Supplier which either do not conform to the contract or which are defective within the meaning of Section 3 of the Consumer Protection Act 1987.
- 10.2 The indemnity set out in sub-clause 10.2.1 shall be provided that:
 - 10.2.1 the Buyer gives written notice of the claim or proceeding as soon as practicable after the Buyer receives the following receipt of it;
 - 10.2.2 the Buyer makes no admission of liability, agreement or compromise and gives the Supplier the authority to defend or settle the claim or proceedings at the Supplier's cost and expense; and
 - 10.2.3 the Buyer gives the Supplier the necessary information, access and assistance in connection with the claim or proceedings at the Supplier's cost and expense.
- 10.3 The Buyer shall indemnify the Supplier for all actions, proceedings, claims, demands, costs, awards and expenses howsoever arising, as a result of any claim made by the Buyer or the Supplier for the infringement of intellectual property rights arising out of, or in connection with, the Goods to the extent that such claim is attributable to the Buyer, its employees, agents or subcontractors, or to any name, brand, logo, or trade mark (registered or otherwise) used in connection with the Goods which in any way differs from, is adopted or derived from, or that applied to the Goods supplied to the Buyer by the Supplier.
- 10.4 The indemnity set out in sub-clause 10.4.1 shall be provided that:
 - 10.4.1 the Supplier gives written notice of the claim or proceeding as soon as practicable after the Supplier receives the following receipt of it;
 - 10.4.2 the Supplier makes no admission of liability, agreement or compromise and gives the Buyer the authority to defend or settle the claim or proceedings at the Buyer's cost and expense; and
 - 10.4.3 the Supplier gives the Buyer the necessary information, access and assistance in connection with the claim or proceedings at the Buyer's cost and expense.
- 10.5 Notwithstanding the provisions of sub-clause 10.2.2, the Buyer may nevertheless settle a claim or proceedings without the involvement or consent (but subject to giving the Supplier written notice of the terms of any such settlement) if it reasonably believes that to do so would be in any material way prejudicial to its interests.
- 10.6 Notwithstanding the provisions of sub-clause 10.4.2, the Supplier may nevertheless settle a claim or proceedings without the involvement or consent (but subject to giving the Buyer written notice of the terms of any such settlement) if it reasonably believes that to do so would be in any material way prejudicial to its interests.
- 10.7 Nothing in this Clause 10 shall limit the Supplier's general duty at law to mitigate losses that it may suffer.

give rise to a claim under this

11. Limitation of Liability

11.1 This Clause 11 sets out the limitation of liability of the Parties (including agents or subcontractors) to each other for any breach of contract, or for the acts or omission of the Supplier or the Buyer of the Goods; and for any tortious act or omission (including, but not limited to, negligence and breach of statutory duty) arising out of or in connection with this Agreement.

11.2 Subject to sub-Clause 11.3, the liability of the Supplier in contract, tort (including negligence, duty or misrepresentation), restitution, for breach of statutory duty or misrepresentation, for loss of goodwill, loss of business opportunity, loss of profits, loss of data or information, or any special damage or loss that may be suffered by the other Party in connection with this Agreement.

11.3 Nothing in this Agreement shall limit the liability of either Party to the other for fraud or fraudulent misrepresentation, deliberate default or wilful misconduct,] or for death or personal injury.

11.4 Nothing in this Agreement shall limit the liability of either Party to the other for breach of the terms implied by the Sale of Goods Act 1979 or for breach of Section 2 of the Consumer Protection Act 1987.

11.5 Nothing in this Agreement shall limit the liability of either Party to the other under or in respect of any of the provisions of Clause 10.

11.6 Without prejudice to Clause 11.2, 11.3 or 11.4, the total liability of the Supplier arising out of or in connection with this Agreement (whether in contract, tort, restitution, for breach of statutory duty or misrepresentation) shall be limited to £<<insert sum>> in respect of any such provisions occurring in each Year.

11.7 Without prejudice to Clause 11.2, 11.3 or 11.4, the total liability of the Buyer arising out of or in connection with this Agreement (whether in contract, tort, restitution, for breach of statutory duty or misrepresentation, for loss of unpaid invoices, to the extent of the liability under sub-Clause 7.6.1, and for any special damage or omissions occurring in each Year) shall be limited, in the case of the Buyer, to the amount of any interest due on the unpaid invoices and all other acts or omissions occurring in each Year.

12. Force Majeure

12.1 No Party to this Agreement shall be liable for failure or delay in performing their obligations where such failure or delay is caused by any cause that is beyond the reasonable control of the Party. Such causes include, but are not limited to: power failure, industrial action (except where such action is caused by the Party so incapacitated), civil unrest, fire, flood, strike, terrorism, acts of war, governmental action or any other cause beyond the control of the Party in question.

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12.2 [In the event that a Party to this Agreement fails to perform their obligations hereunder as a result of force majeure during a continuous period of <<insert period>>, the other Party may terminate this Agreement by written notice at the end of such period. At the end of such termination, the Parties shall agree upon a fair and equitable price for any and all Goods delivered but not already paid for. The price shall take into account any prior contractual commitments and the price on the performance of this Agreement.]

13. Term and Termination

13.1 This Agreement shall come into effect on the Commencement Date and shall continue for a Term of <<insert period>> from that date, subject to the provisions of this Clause 13.

13.2 Either Party shall have the right to terminate this Agreement by giving not less than <<insert notice period>> written notice prior to the expiry of the term specified in sub-Clause 13.1. The other Party (the "other Party") shall have the right to extend this Agreement for a further period (the "extension period") (the "extension provision") to extend this Agreement for a further period of <<insert period>>.

13.3 Either Party may terminate this Agreement by giving written notice to the other not less than <<insert notice period>> written notice on or at any time after the expiry of the extension period or <<insert minimum term of agreement>>.

13.4 Either Party may immediately terminate this Agreement by giving written notice to the other Party if:

13.4.1 any sum owing to the other Party under any of the provisions of this Agreement is not paid within <<insert period>> Business Days of the date of the invoice;

13.4.2 the other Party commits a breach of any of the provisions of this Agreement and, after being given written notice of remedy, fails to remedy it within <<insert period>> after being given written notice giving full particulars of the breach and requiring it to be remedied;

13.4.3 an encumbrancer takes control of the property or assets of that other Party; or

13.4.4 the other Party makes an arrangement with its creditors or, where the other Party is a company, a receiver is appointed over the property or assets of that other Party;

13.4.5 the other Party, being a company, has a bankruptcy order made against it or, being an individual, is made bankrupt (except for the purposes of bona fide administration and in such a manner that the company or individual effectively agrees to be bound by or assume the obligations of this Agreement);

13.4.6 anything analogous to any of the above occurs in any jurisdiction other than the jurisdiction of the law of any country;

13.4.7 that other Party ceases to carry on business; or

13.4.8 control of that other Party is taken over by any person or connected person other than the other Party on the date of this Agreement.

18. **Set-Off**

Neither Party shall be entitled to set off or sums received in respect of this Agreement at any time.

in any manner from payments due under this Agreement or any other

19. **Assignment and Sub-Contracting**

19.1 [Subject to sub-Clause 19.2, Neither Party may assign, sub-contract (without charge) or sub-licence or otherwise delegate its obligations hereunder, or sub-contract or otherwise delegate its obligations hereunder without the written consent of the other Party, which consent is not to be unreasonably withheld.

personal to the Parties. This Agreement shall be binding on the Parties otherwise than by floating assignment, and the Parties shall be bound by its rights hereunder, or sub-contract or otherwise delegate its obligations hereunder without the written consent of the other Party, which consent is not to be unreasonably withheld.

19.2 [The Supplier shall be entitled to sub-contract its obligations through any other member of the Group or through any other skilled sub-contractors. Any such sub-contractor shall, for the purposes of this Agreement, be deemed to be an act or omission of the Supplier.]

obligations undertaken by the Supplier through suitably qualified and experienced sub-contractors. Any such other member or sub-contractor shall, for the purposes of this Agreement, be deemed to be an act or omission of the Supplier.]

20. **Relationship of the Parties**

Nothing in this Agreement shall constitute a partnership, joint venture, agency or other fiduciary relationship, nor shall it constitute a contractual relationship expressly provided for in this Agreement.

shall not constitute a partnership, joint venture, agency or other fiduciary relationship, nor shall it constitute a contractual relationship expressly provided for in this Agreement.

21. **Non-Solicitation**

21.1 Neither Party shall, for the term of this Agreement and for a period of <<insert period>> after its termination, solicit, induce or attempt to induce any person who is or was employed by the other Party at any time in relation to this Agreement without the express written consent of that Party].

and for a period of <<insert period>> after the termination of this contract the services of any person who is or was employed by the other Party at any time in relation to this Agreement without the express written consent of that Party].

21.2 Neither Party shall, for the term of this Agreement and for a period of <<insert period>> after its termination, solicit, induce or attempt to induce any customer or client of the other Party any customer or client of the other Party without the express written consent of that Party].

and for a period of <<insert period>> after the termination of this contract notice away from the other Party without the express written consent of that Party].

22. **Third Party Rights**

No part of this Agreement is intended to confer any benefit on any third parties and accordingly the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.

shall not confer any benefit on any third parties and accordingly the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.

23. **Notices**

23.1 All notices under this Agreement shall be deemed duly given if signed by, or on behalf of, the Party giving the notice.

shall be deemed duly given if signed by, or on behalf of, the Party giving the notice.

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Institute of Arbitrators for
for any decision on rules

27.5 Nothing in this Clause 27
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27.6 Nothing in this Clause 27
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27.7 The Parties hereby agree th
dispute resolution under this
Parties.

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28. **Law and Jurisdiction**

28.1 This Agreement (including a
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28.2 Subject to the provisions o
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SIGNED for and on behalf of the Supplier by:
<<Name and Title of person signing for the

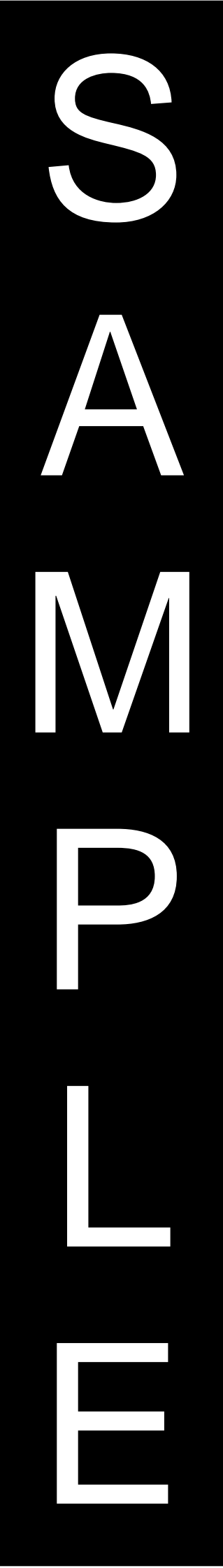
Authorised Signature

Date: _____

SIGNED for and on behalf of the Buyer by:
<<Name and Title of person signing for the

Authorised Signature

Date: _____



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The Goods
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The Specification
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S A M P L E

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The Finished Goods
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