

THIS MEMORANDUM OF UNDERSTANDING is a proposed supply of goods agreement

the **HEADS OF TERMS** ("HOT") for signed the day of

BY:

(1) <<Name of Supplier>> [a Company registered in England under number <<Company Registration Number>> with its registered office at] OR [of] <<insert Address>> ("Supplier")

England under number <<Company Registration Number>> with its registered office at] OR [of] <<insert Address>>

and

(2) <<Name of Customer>> [a Company registered in England under number <<Company Registration Number>> with its registered office at] OR [of] <<insert Address>> ("the Customer")

registered in England under number <<Company Registration Number>> with its registered office is at] OR [of] <<insert Address>>

1. Definitions

In this HOT, the following expressions shall have the following meanings:

the following meanings:

"Supply of Goods Agreement"

the Supply of Goods Agreement described in Clause 3 and sub-Clause 4 of this HOT;

"Detailed Terms"

the detailed terms, conditions, and set out in the Supply of Goods Agreement, and when they are agreed and set out in the Supply of Goods Agreement;

"Commercial Terms"

the Commercial Terms in principle, and when they are agreed and set out in the Supply of Goods Agreement, and when they are agreed and set out in the Supply of Goods Agreement;

"Party"

the Parties to this HOT;

2. Purpose and Status of this Memorandum of Understanding

2.1 Except for Clauses 3 and 4, this Memorandum of Understanding is not intended to be legally binding on the Parties;

Except for Clauses 3 and 4, this Memorandum of Understanding is not intended to be legally binding on the Parties;

2.2 The Parties have discussed the Commercial Terms in principle, but they have not yet agreed the definitive version of the Commercial Terms. The Parties agree all of the other terms of this Memorandum of Understanding.

The Parties have discussed the Commercial Terms in principle, but they have not yet agreed the definitive version of the Commercial Terms. The Parties agree all of the other terms of this Memorandum of Understanding.

2.3 The Parties intend to discuss, negotiate, draft, and agree the definitive version of the Supply of Goods Agreement. For Clause 5 and sub-Clause 4 of this HOT, the Parties agree that, save for Clause 5 and sub-Clause 4 of this HOT, there shall be no agreement between them relating to any supply of goods or services between them which is legally binding on them as a contract.

For Clause 5 and sub-Clause 4 of this HOT, the Parties agree that, save for Clause 5 and sub-Clause 4 of this HOT, there shall be no agreement between them relating to any supply of goods or services between them which is legally binding on them as a contract.

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2.4 The Parties agree a oral or written state warranty, promise, the date of this HO of goods arrangem express term of the

agreed in Clause 6 of this HOT, no (negligent or otherwise), and no ment (whether before, on, or after in relation to the proposed supply it is agreed and included as an ment.

3. Supply of Goods Agreement

The Supply of Goods Agreement between the Pa agreement between the Customer on the Detailed T will contain all of and understandings and other goods arrangements between

written signed supply of goods will agree to supply products to the and the Supply of Goods Agreement conditions, working arrangements, ng, and relating to such supply of

4. Commercial Terms

The following Commercial them will form part of the D

principle. The definitive version of ply of Goods Agreement:

4.1 The Supplier is en Customer is engage

s of <<describe here>> and the describe here>>;

4.2 The goods to be s Schedule to this HC Customer]];

here>>] OR [are described] [in a [attached]] [already supplied to the

4.3 The supply under th agreed date>> and or years>> subject Agreement;

ement will commence on <<insert <<insert period of time in months provided by the Supply of Goods

4.4 [The Supplier has s the goods to the C Agreement.] [The C consent of the Cust of notice >>];

ale which will apply to all sales of attached to the Supply of Goods by the Supplier [without][with] the Supplier of at least <<insert period

4.5 The basic prices to the Supply of Goods list][brochure] of the

er for the goods will be [set out in [set out in the standard [price where prices will be shown>>];

4.6 The Supplier may following basis: << and/or limitations of raw materials, to co them>>. Supplier m to the Customer of >>];

basic prices of the goods [on the uency permitted, the criteria for e justified by increase in prices of Customer's instructions or lack of ice period of variation of any price >>];

4.7 [The Customer will

s from any of the basic prices;]

OR

[The Customer will purchase discount, amount of discount

r the following: <<describe bulk ount or other basis >> and the

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- 4.8 The basic prices [in
 - 4.8.1 VAT and of
 - 4.8.2 Supplier's duties or tax all of which addition to Customer of them];
- 4.9 [Letters of credit will payment by the Customer;]
- 4.10 Invoices will be e the following currency: <<state currency>>;
- 4.11 Where currency co dates and rates of exchange that will apply will be <<
- 4.12 The terms of paym voices will be within <<state how long Customer has voice;
- 4.13 If there is late paym sequence will be that the Supplier may <<state Suppl
- 4.14 [The Supplier will s resale by the Customer] OR [The goods supplied to finished goods and the Customer will apply the follow ore resale: <<describe process/es here>>];
- 4.15 [The following restr the period of the Supply of Goods Agreement:
 - 4.15.1 [The Custod is in [any territory/ies] OR [only in the territory s them to Customer] OR [only in the territory located]] OR [only in the following territory/ies >>];
 - 4.15.2 The Custod t with the prior consent of the Supplier] [same as] [and][or] [substantially similar to]] [h] the goods supplied under the Supply of G
 - 4.15.3 The Custod t with the prior consent of the Supplier] s as] [and][or] [substantially similar to][and][or] oods supplied under the Supply of Goods Ag where Supplier delivers them to Customer] he Customer is located;]
 - 4.15.4 [The Cust describe/define here any other restrictions
- 4.16 [The Supplier][and] poach any of the staff of the other [for a period of << Goods Agreeme after the end of the Supply of Goods Agreement]; period of the Supply of Goods
- 4.17 [The Supplier must to] accept and fulfil all orders for the goods;]

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[The Supplier may decline any order in any case that it wishes] [with the exception of] [provided that it gives reasons for doing so];]

tion decline any order in any case [provided that it gives reasons for

4.18 The Customer is [not] [entitled] [to] [order] [more] [than] [a] [number] [of] [or] [value] of order goods>> over each [number][value] is [state here the amount, quantity or value];]

the Supplier a minimum [number] of order goods>> over any period/s. [The minimum total of goods or for each type of goods>> over any period here>>];]

4.19 [There will be an obligation on the Customer to] [signing the Supply Order] [within] [a] [number] [of] [days] [of] [value];]

within [amount][quantity][value] on the day of signing [state here the amount, quantity or value];]

4.20 [To avoid shipment] [of] [more] [than] [a] [number] [of] [or] [value] of order goods>> over each [number][value] is [state here the amount, quantity or value];]

quantities, there will be a minimum [number] of [state here the amount, quantity or value] orders as follows: <<state here the amount, quantity or value>>];]

4.21 [Orders must be given] [in] [writing] [within] [a] [number] [of] [days] [of] [value];]

OR

[Orders may be given] [in] [writing] [within] [a] [number] [of] [days] [of] [value];]

that they are then confirmed in writing [state here the amount, quantity or value];]

4.22 Orders must state the date of delivery and that date must be at least <<state length of period>> before the stated delivery date;

ordered by the Customer and that date must be at least <<state length of period>> prior to the stated delivery date;

4.23 If the Customer wishes to amend an order [but the Supplier may not] [and the Supplier must accept] [amendments for] [State here the amount, quantity or value] order must be submitted [within] [a] [number] [of] [days] [of] [value] after the order it amends;

it must submit an amended order [within] [a] [number] [of] [days] [of] [value] after any amended order] OR [and the Supplier must accept] [amendments for] [State here the amount, quantity or value] if <<state criteria to be met by the Supplier to accept order>>] An amended order must be submitted [within] [a] [number] [of] [days] [of] [value] after the order it amends;

4.24 The Customer will submit a forecast of its future orders. [Each forecast will be for the Customer's] [orders] [over] [the] [next] [state length of period] and it will be submitted [at least] [state length of period] before the beginning of the period;

of its future orders. [Each forecast will be for the Customer's] [orders] [over] [the] [next] [state length of period] and it will be submitted [at least] [state length of period] before the beginning of the period;

4.25 In relation to the stated delivery date, [the] [order] [will] [not] be of the essence;

will [not] be of the essence;

4.26 The delivery address [of] [the] [order] [will] [not] be of the essence. If the delivery address changes, [Supplier] [will] [not] be responsible for the extra cost of delivery;

address>>. If the delivery address changes, [Supplier] [will] [not] be responsible for the extra cost of delivery;

4.27 If the Supplier cannot supply an order, it will notify the Customer [and the Customer] [will] [not] be responsible for the extra cost of delivery [and][or] [the] [Supplier] [will] [not] be liable for loss due to delay in delivery. [The Supplier will] [not] be liable for loss due to delay in delivering, up to <<state length of period>> amount or other limit;

an order, it will notify the Customer [and the Customer] [will] [not] be responsible for the extra cost of delivery [and][or] [the] [Supplier] [will] [not] be liable for loss due to delay in delivery. [The Supplier will] [not] be liable for loss due to delay in delivering, up to <<state length of period>> amount or other limit;

4.28 The Supplier will [not] be liable for loss due to delay in delivery. [The Supplier will] [not] be liable for loss due to delay in delivering, up to <<state length of period>> amount or other limit;

delay in delivery. [The Supplier will] [not] be liable for loss due to delay in delivering, up to <<state length of period>> amount or other limit;

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4.29 [The Customer is responsible for ensuring compliance with all relevant local legislation in connection with the] goods [except that the Supplier is responsible for ensuring compliance with the following relevant legislation: <<insert>>];

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4.30 [The Supplier] OR [the Customer] is responsible for procuring import licences and certificates of origin;

4.31 The Supplier will [maintain] OR [the following] records of the goods supplied to the Customer: <<insert>>;

4.32 The title (ownership) in the goods will pass to the Customer <<state when it will pass, e.g. on delivery>>;

4.33 The risk in the goods will pass to the Customer <<state when it will pass, e.g. on delivery>>;

4.34 The Supplier will provide a warranty to the Customer in respect of the quality of the goods as follows: <<state when it is warranted>>;

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4.35 Where the Customer makes a claim about defects in the goods, it must notify the Supplier <<state time limit>> after the date of delivery to the Customer <<state time limit>> [replace the goods][provide a refund] within <<state time limit>> if no notification is given;

4.36 The Supplier's liability for a breach of the quality warranty is limited to <<state details of limit/conditions etc>>;

4.37 [The Supplier will indemnify] OR [The Supplier will defend] the Customer against any product liability claims brought against the Customer by third parties [limited to <<state details of limit/conditions etc>>];

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4.38 The Supplier is [not to provide] OR [to provide] samples to the Customer [limited to <<describe samples>>];

4.39 [The Supplier is [not to provide] OR [to provide] technical support [and][or] <<state details of limit/conditions etc>>] [after-sales][and][or][technical] support <<state details of limit/conditions etc>>] to the Customer [and will do so] [and will do so] [and will do so] [and will do so] as follows: <<describe support>>];

4.40 The Customer [must not use] OR [must use] the Supplier's own business name in connection with its activities under this Agreement;

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4.41 [The Customer [must not use] OR [must use] the Supplier's trademarks] [and] [the Customer [must not use] OR [must use] its own trademarks] [either] [in connection with the goods][and][or] [on the goods];

4.42 [The Customer may not use] OR [The Customer may use] the Supplier's trademarks for labelling of the goods;]

4.43 [Use by the Customer of] OR [Use by the Supplier of] the Supplier's other intellectual property of the Supplier must be agreed in an agreed form that they belong to the Supplier;

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4.44 [The Supplier's [trademarks] OR [other intellectual property] must be agreed;]

4.45 [A registered user agreement must be entered into by the parties;]

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4.46 [If the Customer be any trade mark or [promptly] notify the infringement are b reasonable coopera

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4.47 [If the Customer fail fails to perform a terminate the Su consequences>>];

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4.48 [The Supplier] [and the Supply of Good

4.48.1 [Either part number of d no such not Agreement months>> h

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4.48.3 [Either party clause of th remedy the

4.48.4 [An immedi [either party party]];

4.48.5 [An immedi [either par Customer]](

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4.49 On termination of th

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4.49.6 [If the Cus materials of termination, [disposal]](a

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4.50 The Supply of Good

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Party shall do so prior to the destruction of the same; and

destroy any copies it has made of

6.5 Each Party acknowledges that an order for specific performance or an injunction in respect of the defaulting Party in terms of Clause 6, without prejudice to any other remedies available in relation to such breach.

that damages alone would be an inadequate remedy in respect of Clause 6, and that an injunction, order for specific performance or an order for actual breach by it of this Clause or any other remedies that either Party may have available in respect of such breach.

6.6 In this Clause 6

6.6.1 "Data Protection Legislation" means the Data Protection Act 1998 (as amended from time to time) and any subordinate legislation made thereunder;

1) unless and until GDPR is no longer directly applicable in the UK, GDPR and any national and secondary legislation (as amended from time to time in the UK and subsequently 2) any

6.6.2 "GDPR" means the General Data Protection Regulation (EU) 2016/679;

16/679 General Data Protection

6.6.3 "personal data" has the meaning as defined in the Data Protection Legislation.

as defined in the Data Protection

6.7 If in connection with the proposed or actual Supply of Goods Agreement or otherwise processed by or for the Other Party ("Other Party")

by ("First Party") collects, holds or processes personal data when First Party undertakes to the

6.7.1 for the purpose of the proposed or actual Supply of Goods Agreement;

discussion, negotiation, drafting, and execution of the proposed or actual Supply of Goods Agreement;

6.7.2 in accordance with the rights under the Data Protection Legislation and the rights under the Data Protection Legislation of the Other Party and the Data Protection Legislation of any third party;

of Data Protection Legislation and the Data Protection Legislation of the Other Party and the Data Protection Legislation of any third party;

6.7.3 in accordance with the Other Party's Privacy Notice. A copy of each Privacy Notice is available on the Other Party's website and is provided to the Other Party on or before the date of the proposed or actual Supply of Goods Agreement;

Privacy Notice. A copy of each Privacy Notice is available on the Other Party's website and is provided to the Other Party on or before the date of the proposed or actual Supply of Goods Agreement;

6.8 Any personal data processed by or for the Other Party in connection with this HOT shall be shared with the Other Party in accordance with the terms of a Data Sharing Agreement entered into by the Parties before any such sharing occurs.

First Party with the Other Party in accordance with the terms of a Data Sharing Agreement entered into by the Parties before any such sharing occurs.

7. Law and Jurisdiction

7.1 This HOT, and the proposed or actual Supply of Goods Agreement, and all disputes or claims arising out of or in connection with this HOT or the proposed or actual Supply of Goods Agreement shall be governed by, and construed in accordance with, the law of England and Wales;

negotiations between the Parties in connection with the proposed or actual Supply of Goods Agreement, and all disputes or claims arising out of or in connection with this HOT or the proposed or actual Supply of Goods Agreement shall be governed by, and construed in accordance with, the law of England and Wales; and

7.2 [Subject to Clause 7.1, any dispute, controversy, proceedings or claim between the Parties arising out of or in connection with the proposed or actual Supply of Goods Agreement shall be referred to and determined by the jurisdiction of the courts of England and Wales.

controversy, proceedings or claim between the Parties arising out of or in connection with the proposed or actual Supply of Goods Agreement shall be referred to and determined by the jurisdiction of the courts of England and Wales.

7.3 [Any dispute, controversy, proceedings or claim between the Parties relating to this HOT or the proposed or actual Supply of Goods Agreement is to be referred to and determined by the jurisdiction of the courts of England and Wales by means of [arbitration] [and/or] [arbitration] as

claim between the Parties relating to this HOT or the proposed or actual Supply of Goods Agreement is to be referred to and determined by the jurisdiction of the courts of England and Wales by means of [arbitration] [and/or] [arbitration] as

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follows: <<set out
resolution and/or ar

g details of alternative dispute

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Description

Clause 4.2]

Attach a copy of each Part

referenced in Clause 6.7.3

EITHER

[SIGNED on the above date for and

name of Supplier>>:

By <<Name and Title of person sig

Authorised Signature]

OR

[SIGNED on the above date by <<

>>

Signature]

AND

EITHER

[SIGNED on the above date for and

name of Customer>>:

By <<Name and Title of person sig

Authorised Signature]

OR

[SIGNED on the above date by <<

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Signature]

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