

# PRODUCT SUPPLY AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between:

«BUYER», a corporation duly incorporated pursuant to the laws of \_\_\_\_\_ (the "the Buyer").

OF THE FIRST PART

and

«MANUFACTURER», a corporation duly incorporated pursuant to the laws of \_\_\_\_\_ (the "Manufacturer").

OF THE SECOND PART

## WHEREAS:

- A. The Manufacturer manufactures and wholesales \_\_\_\_\_;
- B. The Manufacturer wishes to enter into a supply agreement with the Buyer in respect of its Product on an exclusive basis for the entire world market;
- C. The Buyer wishes to buy the Product from the Manufacturer and be the sole distributor of the Product for the Manufacturer in the world market.

NOW THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration given by each party to the other, the receipt and sufficiency of all of which is hereby acknowledged, the parties hereto hereby agree as follows:

## 1. DEFINITIONS

In this Agreement the following terms shall have the following meanings:

- (a) "Products" - means \_\_\_\_\_;
- (b) "Current Product List" - the document attached hereto and incorporated herein, as Exhibit "A";
- (c) "Territory" - all of the world;
- (d) "Person" - any natural person, corporation, partnership, or other entity or association.

## 2. MANUFACTURER'S COVENANTS

On the terms provided herein, the Manufacturer hereby covenants and agrees with the Buyer as follows:

- (a) the Manufacturer shall supply the Buyer with all quantities of Products reasonably required by the Buyer, without interruption during the term of this Agreement;
- (b) the Manufacturer will not sell or supply any Products directly or indirectly or to any person other than the Buyer;
- (c) the Manufacturer shall promptly refer to the Buyer all leads, prospects, and related information which are directed to it or which it receives regarding potential purchasers of any Products;
- (d) in the event the Manufacturer discontinues manufacturing any of the Products, the Manufacturer shall continue for a reasonable time thereafter to make available to the Buyer suitable replacements for such discontinued Products or provide the Buyer the chemical formula and

specifications for discontinued Products for use by the Buyer to service any discontinued Products previously sold to the Buyer.

**3. TERM**

- (a) Unless sooner terminated in accordance with the provisions hereof, this Agreement commencing on the date hereof shall expire on \_\_\_\_\_.
- (b) At or before the expiration of this Agreement the parties shall negotiate in good faith for the renewal or extension of this Agreement.

**4. BUYER'S GENERAL OBLIGATIONS**

The Buyer shall:

- (a) devote its best efforts to promoting and selling the Products purchased from the Manufacturer pursuant hereto to customers within the Territory;
- (b) conduct any and all sales activities in connection with the Products in a lawful manner; and
- (c) use its best efforts to develop demand for the Products.

**5. MANUFACTURER'S GENERAL OBLIGATIONS**

The Manufacturer shall:

- (a) unless excused by circumstances beyond the Manufacturer's reasonable control in accordance with Section 34 hereof, promptly deliver to the Buyer those Products for which the Buyer places orders, by delivery to the Buyer's main \_\_\_\_\_ location, being, as at the date of this Agreement, \_\_\_\_\_, \_\_\_\_\_ [site of location];
- (b) refrain from selling any Product to any person, other than the Buyer, within the Exclusive Territory, or to any person for use within the Exclusive Territory;
- (c) promptly refer to the Buyer all leads, prospects, and related information which are directed to it or which it receives regarding potential purchasers of any Product within the Territory;
- (d) supply the Buyer with all technical and technological data and information regarding the Products reasonably required by the Buyer and provide the Buyer with complete technical support for Products;
- (e) ensure and maintain all quality standards for the Products and for any packaging of the Products. The Buyer will provide the Buyer from time to time with packaging specifications and standards to be met by the Buyer;
- (f) The Products delivered to the Buyer under this Agreement shall, at time of delivery:
  - (i) be guaranteed to meet the specifications for (bottling and packaging) of the Products;
  - (ii) be guaranteed not to be misbranded or adulterated within the meaning of the *Food and Drugs Act* or any applicable law;
  - (iii) be in good usable and merchantable condition and fit for its intended purpose;
  - (iv) be in compliance with all applicable laws and regulations, provided, however, that any failure of the Product to meet the agreed specifications set out in Schedule "A" hereto which is due to a defect in \_\_\_\_\_ [specify] which are sold by the Buyer to the Manufacturer hereunder shall be excluded from the Manufacturer's representations and warranties hereunder unless, with respect to defects in said

\_\_\_\_\_, such defects are or should have been obvious to the Manufacturer upon reasonable inspection.

**6. PRICES AND TERMS OF PAYMENT**

- (a) For all Products listed on the Current Product List, the Manufacturer shall charge the Buyer the prices (in \_\_\_\_\_ Dollars) indicated thereon, unless and until such prices are changed in accordance with the provisions hereof.
- (b) The Manufacturer may increase the prices for its Products but only if it first gives the Buyer written notice of any increase at least ninety (90) days before the change takes effect. In the event of any increase, Manufacturer shall charge the non-increased price for any Products for which orders from the Buyer are postmarked prior to the expiration of such ninety (90) day notice period.
- (c) The prices the Manufacturer charges the Buyer for its Products at any time during the term of this Agreement, including those set forth on the Current Product List, shall be no greater than the lowest prices the Manufacturer charges any of its other dealers or distributors anywhere in the world for the same Product at the same time.
- (d) Payment of the purchase price for Products delivered to the Buyer by the Manufacturer shall be payable within thirty (30) days of the date of delivery unless other payment terms are arranged and agreed to by both the Manufacturer and the Buyer prior to delivery.

**THIS IS A 13-PAGE DOCUMENT.**