

MANUFACTURING AGREEMENT

THIS AGREEMENT dated the ____ day of _____, _____.

BETWEEN:

[SELLER]
(the "Seller")

- and -

[MANUFACTURER]
(the "Manufacturer")

WHEREAS:

- A. The Seller is engaged in the business of manufacturing, packaging and selling, to customers in _____, various Products, including Products developed by the Seller for use in its field, and has developed or acquired in the course of its business valuable "Know-how" and other technical information relating to the Products and their applications;
- B. The Seller is the sole owner of certain inventions, improvements, trade marks and "Know-how";
- C. The Manufacturer is presently engaged in the manufacture and packaging of other products in _____ and desires to obtain from the Seller, on the terms and conditions set forth, the right to manufacture the Products developed by the Seller and to use the Seller's "Know-how" in the manufacture of the Products;
- D. The Seller is willing to grant such rights on the following terms and conditions.

NOW THEREFORE the parties hereto agree as follows:

1. Definitions

For the purposes of this agreement:

- (a) "Affiliate", whether of the Manufacturer or the Seller, shall mean any corporation, firm, association or other business owned or controlled beneficially or directly or indirectly by the Manufacturer or the Seller respectively, its principal officers, directors, supervisory employees or members of their families. Ownership of 50% or more of such business by any one of such persons shall constitute beneficial ownership or control;
- (b) "Know-how" shall mean secret processes, formulae, trade secrets, engineering, design, process and operating information, inventions, developments, patents, patent applications, technical data and other scientific and technical information relating to any process or method now owned or controlled by the Seller or its Affiliate relating in any way to any of the Products;
- (c) "Products" shall mean _____.

2. Disclosure of Know-how

- (a) Commencing ____ (___) days after the execution of this agreement, the Seller will make full disclosure of its Know-how to such of the Manufacturer's technical personnel as the Manufacturer may designate. The Seller shall promptly inform the Manufacturer of any Know-

how thereafter acquired by the Seller and shall fully disclose the same to the Manufacturer's technical personnel. The Manufacturer's personnel shall be entitled to make and retain such notes and memoranda and such copies of papers relating to the Seller's Know-how as may be appropriate to enable the Manufacturer to utilize such Know-how.

- (b) The Seller also agrees, when requested by the Manufacturer, to instruct the Manufacturer's personnel in the technique of the Seller's processes or methods of application of the manufacture of the Products.
- (c) All disclosure and instruction shall be made or given by the Seller without cost to the Manufacturer.
- (d) All disclosures of the Seller's Know-how shall be deemed to have been made in confidence and shall be held confidential by the Manufacturer and shall not be disclosed to others. This obligation of non-disclosure shall not apply to information which at the time of the Seller's disclosure is already known to the Manufacturer, or is rightfully obtained from a third party without obligation of confidence, or which is freely available to the public by publication or otherwise, and shall remain in force and effect for the term of this agreement and for a period of _____ years thereafter.

3. Grant of Rights