SUPPLY AGREEMENT

1. 1. Parties

This Supply Agreement (the "Agreement") is made effective as of [EFFECTIVE DATE] between [SUPPLIER NAME], a [ENTITY TYPE] with its principal place of business at [SUPPLIER ADDRESS] (the "Supplier"), and [BUYER NAME], a [ENTITY TYPE] with its principal place of business at [BUYER ADDRESS] (the "Buyer"). Each party represents that it is duly organized, validly existing, and in good standing, and that the person signing below has authority to bind it. Notices must be in writing and are effective when delivered by hand, by nationally recognized courier, or by email with confirmation of receipt to [SUPPLIER NOTICE CONTACT AND EMAIL] and [BUYER NOTICE CONTACT AND EMAIL]. The day-to-day operational contacts for forecasting, ordering, and quality are listed in Exhibit A and may be updated by either party by written notice without amending this Agreement.

2. 2. Supply Commitment and Scope

The Supplier will manufacture and sell, and the Buyer will purchase, the goods described in Exhibit B (the "Goods") on the terms of this Agreement. The commitment structure is [SELECT ONE: a requirements commitment, under which the Buyer will purchase from the Supplier not less than [PERCENTAGE] of its total requirements for the Goods during each contract year / a fixed volume commitment of [ANNUAL VOLUME] units per contract year / a non-committed framework under which the Buyer has no minimum obligation and the Supplier has no minimum obligation beyond accepted purchase orders]. The Supplier will reserve production capacity of at least [RESERVED CAPACITY, e.g., 120 percent of the most recent binding forecast] for the Buyer. The Buyer may source the balance of its requirements from other suppliers, and nothing in this Agreement prevents the Supplier from selling the Goods to other customers except as expressly stated in Exhibit B.

3. 3. Specifications and Engineering Changes

The Goods will conform in all respects to the specifications, drawings, formulations, and applicable standards set out in Exhibit C (the "Specifications"), as amended only in accordance with this Section. The Supplier will not change the Specifications, the manufacturing process, the production site, the tooling, or any raw material, component, or subcontractor used to produce the Goods without the prior written approval of the Buyer. The Supplier will give the Buyer at least [CHANGE NOTICE PERIOD, e.g., 90 days] written notice of any proposed change and will supply samples and validation data on request. The Buyer may request a change to the Specifications at any time, and the parties will negotiate in good faith any resulting adjustment to price, lead time, and tooling cost, together with the disposition of existing inventory and work in process rendered obsolete by the change, which the Buyer will pay for at [OBSOLESCENCE PRICING, e.g., cost of materials plus work performed] if the change was requested by the Buyer.

4. 4. Forecasts, Purchase Orders, and Order of Precedence

The Buyer will provide the Supplier with a rolling [FORECAST HORIZON, e.g., twelve month] forecast of expected requirements, updated [FORECAST FREQUENCY, e.g., monthly]. The first [BINDING WINDOW, e.g., 60 days] of each forecast is a binding commitment for which the Buyer is responsible; the next [MATERIAL AUTHORIZATION WINDOW, e.g., 60 days] authorizes the Supplier to procure long-lead raw materials at the risk of the Buyer up to [MATERIAL LIABILITY CAP]; and the remainder is a non-binding planning estimate. The Buyer will issue purchase orders specifying quantity, Specifications revision, requested delivery date, price, and destination. The Supplier will acknowledge each purchase order within [ACKNOWLEDGMENT PERIOD, e.g., three business days] and may reject only a purchase order that exceeds the binding forecast by more than [UPSIDE

FLEXIBILITY, e.g., 20 percent] or that conflicts with this Agreement. In the event of conflict, the order of precedence is this Agreement first, then the applicable exhibit, then the purchase order, and any additional or different terms appearing on a purchase order, acknowledgment, invoice, or other business form are rejected and have no effect.

5. 5. Lead Times, Delivery, Title, and Risk of Loss

The standard lead time for the Goods is [STANDARD LEAD TIME] from purchase order acknowledgment. Delivery will be made [DELIVERY TERM, e.g., FCA the plant of the Supplier at [PLANT ADDRESS] / delivered duty paid to [BUYER DESTINATION]], and title and risk of loss pass to the Buyer at that point. The Supplier will achieve an on-time in-full delivery performance of at least [OTIF TARGET, e.g., 98 percent] measured [OTIF MEASUREMENT PERIOD, e.g., monthly]. If the Supplier will be unable to meet an acknowledged delivery date, it will notify the Buyer within [DELAY NOTICE PERIOD, e.g., 24 hours] of becoming aware and will, at its own cost, use expedited freight or other reasonable means to recover the schedule where the delay is attributable to the Supplier. Persistent failure to meet the delivery performance target for [OTIF BREACH PERIOD, e.g., three consecutive months] is a material breach. Each shipment will be accompanied by the documentation listed in Exhibit D, including lot or batch numbers, certificates of analysis or conformance, and country of origin information.

6. 6. Price and Price Adjustment

The prices for the Goods are set out in Exhibit E and are firm through [PRICE FIRM DATE]. After that date, prices may be adjusted only as follows: [ADJUSTMENT MECHANISM, e.g., once per contract year on [ADJUSTMENT DATE], by no more than the change in [PUBLISHED INDEX NAME] over the preceding twelve months, on at least [PRICE NOTICE, e.g., 90 days] written notice with supporting documentation]. In addition, the price will move up or down to reflect changes of more than [RAW MATERIAL THRESHOLD, e.g., 5 percent] in the cost of [RAW MATERIAL OR ENERGY INPUT], calculated using the pass-through formula in Exhibit E, with the Supplier providing documentary evidence of the underlying cost change. The Supplier represents that the prices offered to the Buyer are no less favorable than those offered to any other customer purchasing comparable volumes on comparable terms. The Supplier will pass through to the Buyer [COST REDUCTION SHARING, e.g., 50 percent] of any cost savings achieved through productivity or design improvements, and the parties will meet [COST REVIEW FREQUENCY, e.g., annually] to review a continuous cost reduction plan.

7. 7. Invoicing and Payment

The Supplier will invoice the Buyer on shipment of each order, and payment is due [PAYMENT TERM, e.g., net 45 days] from the later of the invoice date and receipt of conforming Goods. Payment will be made by [PAYMENT METHOD] in [CURRENCY]. Prices are exclusive of sales, use, and value added taxes, which will be separately stated and paid by the Buyer where applicable, but each party is responsible for taxes on its own income. Undisputed amounts not paid when due accrue interest at [LATE INTEREST RATE] per month or the maximum permitted by law, whichever is less. The Buyer may withhold payment of any amount it disputes in good faith, provided it notifies the Supplier in writing within [DISPUTE WINDOW, e.g., 15 days] of the invoice date and pays all undisputed amounts on time. The Buyer may set off against amounts payable any amount the Supplier owes it under this Agreement, including credits for nonconforming Goods and agreed cost recovery.

8. 8. Capacity Assurance and Allocation During Shortage

The Supplier will maintain sufficient manufacturing capacity, qualified personnel, and raw material supply to meet the binding forecast and the reserved capacity described in Section 2. If the Supplier becomes unable to meet total demand across its customer base for any reason, including a raw material shortage, it will allocate available Goods to the Buyer in a quantity not less than [ALLOCATION FLOOR, e.g., the greater of the pro rata share of the Buyer based on purchases over the preceding twelve months and 100 percent of the current binding forecast], and will not give preference to any other customer. The Supplier will notify the Buyer within [SHORTAGE NOTICE PERIOD, e.g., five business days] of becoming aware of a potential shortage, will provide a written recovery plan within [RECOVERY PLAN PERIOD, e.g., ten business days], and will use commercially reasonable efforts to qualify alternate raw material sources at its own cost. During any allocation period, the Buyer may source the shortfall elsewhere without breaching any requirements commitment and without any liability for the resulting reduction in volume.

9. 9. Quality, Inspection, and Nonconforming Goods

The Supplier will maintain a quality management system meeting [QUALITY STANDARD, e.g., ISO 9001] and will comply with the quality agreement attached as Exhibit F. The Buyer may inspect and test Goods on receipt and may reject any Goods that do not conform to the Specifications by giving written notice within [INSPECTION PERIOD, e.g., 30 days] of delivery, or within [LATENT DEFECT PERIOD, e.g., 12 months] for defects not reasonably discoverable on inspection. Acceptance of Goods does not waive any claim for a latent defect or a breach of warranty. For nonconforming Goods, the Buyer may, at its election, require replacement at the cost of the Supplier including freight both ways, require a credit or refund of the price, or, with the consent of the Supplier, rework the Goods and charge the reasonable cost to the Supplier. The Supplier will conduct a documented root cause analysis and corrective action for any nonconformity within [CAPA PERIOD, e.g., 15 business days] and will bear the reasonable direct costs of sorting, scrap, rework, and production line disruption caused by nonconforming Goods, up to [QUALITY COST CAP]. The Buyer may audit the manufacturing facilities and quality records of the Supplier on [AUDIT NOTICE, e.g., ten business days] notice, or immediately in the event of a quality emergency.

10. 10. Warranties, Recalls, and Indemnification

The Supplier warrants that the Goods will conform to the Specifications, will be free from defects in materials and workmanship, will be produced in compliance with all applicable laws, will be free of any lien or encumbrance, and will not infringe the intellectual property rights of any third party. This warranty runs for [WARRANTY PERIOD, e.g., 24 months] from delivery and extends to the customers of the Buyer. If a recall, market withdrawal, or field corrective action is required because the Goods failed to conform to the Specifications or this warranty, the Supplier will bear the reasonable direct costs of the recall, including replacement Goods, notification, retrieval, and destruction, and the parties will cooperate on communications and regulatory notifications. The Supplier will defend and indemnify the Buyer against third-party claims arising from a defect in the Goods as manufactured, a breach of the warranties in this Section, the negligence or willful misconduct of the Supplier, or an allegation that the Goods infringe third-party rights, except to the extent the claim arises from a design or specification supplied by the Buyer. Each party will maintain insurance as set out in Exhibit G, including product liability coverage of at least [PRODUCT LIABILITY COVERAGE], and will name the other as an additional insured where applicable.

11. 11. Tooling, Materials, and Continuity of Supply

All tooling, molds, dies, fixtures, and test equipment paid for by the Buyer, and all materials, drawings, and data furnished by the Buyer, are and remain the property of the Buyer (the "Buyer Property"). The Supplier will clearly mark Buyer Property as belonging to the Buyer, will maintain and insure it at its own cost, will use it only to produce Goods for the Buyer, and will release it to the Buyer within [TOOLING RELEASE PERIOD, e.g., 15 days] of a written request. The Supplier will maintain a documented business continuity and disaster recovery plan covering its production sites, will provide a copy to the Buyer on request, and will notify the Buyer promptly of any event materially affecting its ability to supply. The Supplier will maintain safety stock of finished Goods equal to [SAFETY STOCK, e.g., four weeks of the binding forecast] at [SAFETY STOCK LOCATION]. On request, the Supplier will support qualification of a second source or will place the manufacturing documentation necessary to reproduce the Goods into escrow with [ESCROW AGENT] under an agreement releasing it to the Buyer on a supply failure, insolvency, or termination by the Buyer for cause.

12. 12. Confidentiality and Records

Each party may receive non-public information from the other, including specifications, formulations, pricing, forecasts, manufacturing processes, and customer information (the "Confidential Information"). The receiving party will use Confidential Information solely to perform this Agreement, will protect it with at least the same care it applies to its own confidential information and no less than reasonable care, and will disclose it only to personnel, advisors, and approved subcontractors who need it and are bound by comparable obligations. These obligations do not apply to information that is or becomes public through no fault of the receiving party, was known before disclosure without a duty of confidence, is independently developed, or must be disclosed by law or court order after reasonable advance notice to the disclosing party. The obligations continue for [CONFIDENTIALITY PERIOD, e.g., five years] after termination and indefinitely for any information that qualifies as a trade secret. Each party will maintain complete records relating to the Goods, including production, lot traceability, testing, and cost records supporting any price adjustment, for [RECORD RETENTION PERIOD, e.g., seven years], and will make them available to the other party on reasonable notice for the purposes described in this Agreement.

13. 13. Term, Termination, and Last-Time Buy

This Agreement begins on the Effective Date and continues for an initial term of [INITIAL TERM, e.g., three years], renewing automatically for successive [RENEWAL TERM, e.g., one year] periods unless either party gives written notice of non-renewal at least [NON-RENEWAL NOTICE, e.g., 180 days] before the end of the then-current term. Either party may terminate for convenience on [CONVENIENCE NOTICE, e.g., 12 months] written notice, and may terminate immediately for a material breach not cured within [CURE PERIOD, e.g., 30 days] after written notice, or on the insolvency, receivership, or assignment for the benefit of creditors of the other party. On any notice of termination or non-renewal, the Buyer may place a final last-time-buy order for up to [LAST-TIME BUY QUANTITY, e.g., 12 months of requirements based on the most recent forecast], which the Supplier will accept and deliver on the standard terms and pricing of this Agreement notwithstanding the termination. The Supplier will continue to supply during the notice period and during the fulfillment of any last-time-buy order, and will provide reasonable transition assistance to a replacement supplier, including release of Buyer Property, specifications, and open quality matters. The Buyer will pay for finished Goods and, up to the applicable material liability cap, raw materials properly procured against the binding forecast that cannot be reasonably returned or redeployed.

14. 14. Governing Law, Force Majeure, and General Provisions

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and the United Nations Convention on Contracts for the International Sale of Goods does not apply. Any dispute will first be escalated to senior management for [NEGOTIATION PERIOD, e.g., 30 days], then submitted to mediation in [MEDIATION LOCATION], and any unresolved dispute will be brought exclusively in the courts located in [VENUE COUNTY AND STATE]. Neither party is liable for delay or failure to perform caused by an event beyond its reasonable control, including natural disaster, war, epidemic, and government action, provided the affected party gives prompt notice and uses commercially reasonable efforts to resume performance; a party unable to perform for more than [FORCE MAJEURE TERMINATION PERIOD, e.g., 60 days] may have this Agreement terminated by the other party without liability, and a shortage of raw materials or labor that affects only the

Supplier does not excuse performance unless it results from such an event. Neither party will be liable for indirect, incidental, consequential, special, or punitive damages, except that the costs of recall, sorting, rework, and line disruption expressly allocated in this Agreement are recoverable as direct damages. This Agreement, with its exhibits, is the entire agreement between the parties and may be amended only in writing signed by both. Neither party may assign this Agreement without prior written consent, except to a successor of substantially all of its business, and any attempted assignment in violation of this provision is void.

15. 15. Signatures

By signing below, each party acknowledges having read this Agreement, understanding it, and agreeing to be bound by it as of the Effective Date. SUPPLIER: [SUPPLIER NAME]. By: ______________________. Printed Name: [SIGNER NAME]. Title: [TITLE]. Date: [DATE]. BUYER: [BUYER NAME]. By: ______________________. Printed Name: [SIGNER NAME]. Title: [TITLE]. Date: [DATE]. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

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