**MANUFACTURING AND SUPPLY - MASTER AGREEMENT**

This Manufacturing and Supply Master Agreement (“Agreement”), dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Effective Date”), is made and entered into by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and Venus Wafers Inc. at 100 Research Road, Hingham, Mass, 02043 ( “**Supplier**” ).

**WHEREAS**, \_\_\_\_\_\_\_\_ and Supplier desire to enter into an agreement defining the terms and conditions applicable to the production and supply of products as listed in Schedule 1 (“Products”);

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement, the parties hereto agree as follows:

**AGREEMENTS**

**1. Manufacture and Sale Agreement**

Supplier agrees to manufacture, produce, inspect, package and sell the Products exclusively to \_\_\_\_\_\_, at the price and in conformance with the specifications and on the terms and conditions outlined in this Agreement.

**2. Confidential Information**

Both parties agree to hold in confidence and not to disclose to third parties or make commercial or other use of such confidential information without the other party’s prior written permission. All terms and conditions of the Confidentiality Agreement previously signed by \_\_\_\_\_\_\_ and Supplier are applicable to this agreement.

**3. Compliance with Food Laws & Product Specifications**

Products shall be manufactured as directed by \_\_\_\_\_\_\_\_\_\_\_\_, as set forth in the Agreement and in conformance with all U.S. federal, state and local statures, codes, laws, regulations and ordinances relating to the manufacture of food products intended for human consumption.

Supplier will abide by all peanut-free requirements, as specified in its quality specifications. Supplier will manufacture Kosher product under the Orthodox Union “Pareve” standard, and will be responsible to pay all related costs.

Supplier will supply Products of the highest quality using raw materials and packaging materials strictly according to the formulations, product and quality specifications (collectively, the “Specifications”) for each Product furnished by \_\_\_\_\_\_\_\_ to Supplier, as outlined in Schedule 2. \_\_\_\_\_\_\_\_ may modify the Specifications at any time by providing written notice to Supplier. If any such modification directly affects Supplier’s costs of manufacturing the Product, the price will be adjusted, by mutual agreement, upwards or downwards to reflect the actual increase or decrease in such cost as a result in the change in Specifications.

Supplier will manufacture product in compliance with \_\_\_\_\_\_ code dating requirements, as outlined in Schedule 1. These requirements may be modified, with appropriate notice, from time to time. Supplier will code date finished product with nine month shelf life, which shelf life may be amended upon reasonable notice by \_\_\_\_\_\_\_\_\_\_\_\_.

**4. Suppliers Representations & Warranties**

Supplier warrants that the premises upon which Product is manufactured will be maintained in a clean and sanitary condition in accordance with accepted industry standards and practices and all applicable food laws and Good Manufacturing Practices (“GMP”)

Supplier warrants that all Products shall be manufactured and packaged adhering to Global Food Safety Initiative (“GFSI”) standards obtained through British Retail Consortium (“BRC”). Supplier warrants that its GFSI certification will be maintained in good standing for the duration of this agreement. Supplier will provide \_\_\_\_\_\_\_\_\_\_ access to third party audits to verify such certification. \_\_\_\_\_\_\_\_\_\_ employees or its appointed agents shall have the right to inspect Supplier’s manufacturing facility, during normal business hours and upon 24 hours advance notice, to ensure compliance with its Specifications. Supplier shall correct any deficiencies, within a reasonable timeframe, at its cost.

Supplier will not ship, sell or otherwise transfer any shipments of Products ordered by \_\_\_\_\_\_\_\_ to any person or entity other than \_\_\_\_\_\_\_\_\_ unless specifically authorized.

Supplier will, at all times, maintain adequate records and record-retrieval systems that enable Supplier to isolate and trace contamination or non-compliance with Specifications, within twenty four hours of a request by \_\_\_\_\_\_\_\_\_\_.

**5. Quality Assurance**

Supplier will prepare and submit to \_\_\_\_\_\_\_\_ such reasonable quality control records and reports as \_\_\_\_\_\_\_\_\_ may require.

To ensure compliance with \_\_\_\_\_\_ quality standards, Venus will facilitate, using its best efforts, access to audit the facilities of Supplier’s sources of raw materials and packaging for the products set out in Schedule 1. Supplier will provide a full list of vendors, upon request from \_\_\_\_\_\_\_\_\_\_.

Supplier shall notify \_\_\_\_\_\_\_\_ within twenty-four hours of any non-compliance with \_\_\_\_\_\_\_ Specifications, Food Laws or GMP affecting Products, whether such non-compliance is caused by Supplier manufacturing process or its raw material or packaging suppliers. Supplier will destroy any non-conforming product at its cost and will reimburse \_\_\_\_\_\_ for payments already made on any non-conforming product. In the event that \_\_\_\_\_\_ determines that a product recall or withdrawal is necessary, Supplier will pay all reasonable costs associated with such recall of the Products.

**6. Price**

\_\_\_\_\_\_ will pay Supplier the price set forth in Schedule 3 for Products manufactured during 20\_\_ by Supplier pursuant to firm purchase orders provided by \_\_\_\_\_\_\_\_\_\_\_. Thereafter, on a semi-annual basis (effective dates January 1 and July 1), prices shall be adjusted upwards or downwards to reflect updated actual costs of raw materials and packaging. Supplier will update Schedule 3 with actual costs and shall provide \_\_\_\_\_\_\_\_with this schedule along with appropriate cost documentation to verify such cost changes. This documentation will be provided to \_\_\_\_\_\_\_ 30 calendar days in advance of the effective price increase dates (therefore, information will be provided by December 1 and June 1 each year). Annual adjustments for labor rate and overhead costs shall be made each year effective January 1.

**7. Invoice and Payment Terms**

Terms of payment will be net 30 days after receipt of an invoice accompanied by evidence of shipment of the Products covered by the invoice.

**8. Orders / Shipping, Scheduling and Sale**

Supplier will manufacture products based on firm purchase orders provided by \_\_\_\_\_\_, which will furnish to Supplier firm purchase orders with 30 days lead time. Order quantities will be based on full truckload shipment quantities for each purchase order, subject to minimum order quantities outlined in Schedule 4. Purchase orders will be provided to Supplier’s designated contact, and prices for the purchase orders will be based on pricing in effect on the date the purchase order is sent by \_\_\_\_\_\_\_.

Supplier and \_\_\_\_\_\_ agree that a maximum tolerance of plus or minus 5% of the purchase order quantity will be accepted for each order. Supplier will bear the costs of all unapproved production shortages and surplus.

\_\_\_\_\_\_ will furnish Supplier annually, during the month of December, a written forecast of their requirements by Product for the upcoming year. These estimates are not firm orders, but Supplier may use this estimate for production planning purposes. \_\_\_\_\_\_ authorizes Supplier to purchase and keep on hand sufficient raw materials to cover a maximum of 16 weeks of production, and packaging material to cover a maximum of 26 weeks of production, based on the annual forecast provided. If Supplier desires to purchase and store a larger quantity of Raw Material or Packaging Material, Supplier will secure \_\_\_\_\_\_\_ written authorization in advance.

All shipments of Products pursuant to this Agreement shall use EX Works Hingham Facility, Freight Collect.

Supplier will ship all Products in accordance with the instructions provided by \_\_\_\_\_\_, which shall advise Supplier of the carriers of its choice (“Approved Carriers”) and \_\_\_\_\_\_ will make arrangements directly with Approved Carriers for shipment of product. The contract of carriage shall be between \_\_\_\_\_\_ and the Approved Carriers.

Supplier will be responsible for the proper packing and loading of the Product on the carrier’s transport. Supplier will ensure a seal is affixed to shipments. Supplier will notify \_\_\_\_\_\_ by fax or email at least 24 hours prior to any direct shipment of the Products to \_\_\_\_\_\_ or its agent. Supplier will provide the following data in this notification:

Date of shipment

Purchase order number

Quantity shipped

Mode of transport and name of carrier

Bill of Lading

**9. Intellectual Property**

\_\_\_\_\_\_\_ will be the sole owner of all Intellectual Property related to the Products. For purposes of this Agreement, “Intellectual Property” means any trademarks, formulas, specifications, trade secrets, know how, concerning any aspect of, or resulting from, the production of Products by Supplier.

**10. Term of Agreement**

The term of this agreement shall be 3 years (“Term”). This Term shall remain binding upon each party until expressly released by the other party in writing. No modification or amendment to this Agreement shall be valid unless in writing, signed by the parties.

**11. Termination on Notice**

Either party may terminate this Agreement at will at any time by giving six months written notice of termination to the other party. Upon such termination, Supplier and \_\_\_\_\_\_ will work together to use remaining raw materials and packaging supplies. \_\_\_\_\_\_ will compensate Supplier for any unused raw materials and packaging supplies at the termination date, subject to the maximum quantities authorized in Clause 8 of this Agreement.

**12. Termination on Default**

Either party may terminate the Agreement by giving written notice to the other party in the event such other party commits a breach of the Agreement, subject to a 30 day cure period. Notwithstanding the foregoing, the non-breaching party will have the right to terminate the Agreement at any time prior to the expiration of the 30 day cure period in the event the breach is not curable within such thirty 30 day period or if the breaching party is not proceeding diligently in good faith to cure such breach.

Either party may terminate the Agreement immediately at any time, in the event that the other party enters into an assignment for the benefit of its creditors, convenes a meeting of its creditors for the purpose of extending its debt payments due to an inability to make such payments as they become due, voluntarily commences bankruptcy proceedings or has a bankruptcy proceeding involuntarily commenced against it.

**13. Insurance coverage**

During the Term (including any extensions), Supplier will maintain at its own expense commercial general liability insurance, including products and completed operations coverage, with a combined single limit minimum of Five Million Dollars ($5,000,000). The policy will name \_\_\_\_\_\_ as an additional insured. No later than the Effective Date of this Agreement, Supplier will furnish \_\_\_\_\_\_ with certificates of insurance issued by the companies providing the coverage. All such coverage and the related policies will be subject to \_\_\_\_\_\_ approval for adequacy of protection, such approval not to be unreasonably withheld. All such certificates will stipulate that the companies providing the coverage will not cancel or materially change such insurance policies without giving \_\_\_\_\_\_ at least 30 days prior written notice.

# 14. Governing Law; Jurisdiction

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Massachusetts and the laws applicable therein.

**15. Force Majeure**

Delay by either party in performance of its obligations under the Agreement will not be construed as a breach by such non-performing party if such delay in performance is caused by contingencies beyond the reasonable control of the non-performing party, including but not limited to, riot, war or hostilities between nations, embargoes, government orders, regulations, laws ordinances or rulings, pandemic, fire or acts of God, delay of carriers, lack of transportation. The non-performing party will give prompt written notice to the other party of the reason for its delay in performance and the extent and expected duration of its inability to perform. Upon cessation of such situation, the non-performing party will resume performance as soon as practicable following cessation of such situation.

**16. Indemnification**

Supplier will defend, indemnify and hold harmless \_\_\_\_\_\_\_, its directors, officers, employees, agents or representatives, its affiliates from and against any and all losses, claims, demands, causes of action or proceedings and any and all obligations, liability, damage or expense (including all costs, expenses and attorney’s fees) imposed on or asserted against any \_\_\_\_\_\_ Indemnified Party or any \_\_\_\_\_\_ customers, arising out of circumstances including but not limited to the following:

a) any defect or alleged defect in any Product, including non-conformity to product specifications and/or related packaging or labelling;

b) any product liability in respect of Supplier’s responsibilities and warranties as manufacturer of the Products or Supplier’s raw materials or packaging;

c) any claim asserted by a third party relating to the Products

d) the investigation of any claim or legal action and the recall of any Products

If a third party asserts a claim against a \_\_\_\_\_\_ Indemnified Party, \_\_\_\_\_ will give reasonably prompt notice of such claim (a “Claim”) in writing to the Supplier, together with a description of the Claim and copies of any demand, assertion, claim, action or proceeding. Supplier shall be responsible to respond to \_\_\_\_\_\_ in writing within 5 business days with respect to the status of the claim with Supplier’s insurer. If the Supplier does not so respond, \_\_\_\_\_\_ will be free to pursue such remedies as may be available to it, at Supplier’s expense.

**17. Notices**

All notices or other communications to be delivered under this Agreement will be in writing and will be deemed to have been given when delivered personally to the recipient or when sent to the recipient by telecopy or e-mail (receipt confirmed), one business day after the date when sent to the recipient by courier service, or two business days after the date when mailed to the recipient by certified or registered mail. Such notices and other communications will be sent to the addresses indicated below:

**Supplier: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Venus Wafers Inc.

100 Research Road

Hingham, Mass

02043

Phone: (781) 740-1002

Fax: (781) 740-0791

INTENDING TO BE LEGALLY BOUND, the parties have authorized their respective undersigned representatives to execute this Agreement effective as of the Effective Date.

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| **Venus WAFERS INC.** |  | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
|  |  |  |
| Signature |  | Signature |
|  |  |  |
| Printed Name |  | Printed Name |
|  |  |  |
| Title |  | Title |

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| --- | --- | --- |
| Date |  | Date |