SUPPLY AGREEMENT

This agreement is dated [Effective date]. Agreement number: [Agreement number].

Parties

(1) [Your company name], a company registered in England and Wales with company number [Your company number], whose registered office is at [Your company address] (the "Supplier"); and

(2) [Client name], a company registered with company number [Client company number], of [Client address] (the "Customer").

Background

(A) The Supplier manufactures and supplies the products described in this agreement.

(B) The Customer wishes to buy those products from the Supplier from time to time, and the Supplier agrees to supply them, on the terms of this agreement.

Agreed terms

1. Definitions

1.1 In this agreement:

(a) "Products" means [Goods or services], as described in the Specification;

(b) "Specification" means the specification for each Product agreed in writing by both parties, as changed under clause 9;

(c) "Order" means a purchase order the Customer places for Products under this agreement; and

(d) "Delivery Address" means [Delivery address], or another address in the UK the parties agree.

2. Supply

2.1 The Supplier will sell, and the Customer will buy, Products in the quantities ordered under accepted Orders. This agreement does not oblige the Customer to place any Orders.

2.2 These terms apply to every Order. Any terms on an Order, acknowledgement, delivery note or invoice that conflict with these terms do not apply.

2.3 The Supplier will keep enough capacity and materials to meet the Customer's forecasts, within the limits of clause 3.

[Note: If the Customer is to buy only from the Supplier, or to buy a minimum volume each year, add it here, and take advice on competition law if either party has a strong position in the market.]

3. Forecasts and Orders

3.1 By the first working day of each month, the Customer will give the Supplier a rolling forecast of its requirements for the next 12 months. Forecasts are made in good faith but are not binding.

3.2 The Customer will place each Order in writing, stating the Products, quantities, delivery date and Delivery Address. Each Order must be for at least the minimum order quantity of [Minimum order quantity], and give at least the lead time of [Lead time (days)] days.

3.3 The Supplier will accept or reject each Order within five working days. An Order is binding when the Supplier accepts it. The Supplier will not unreasonably reject an Order that is within the forecast, the minimum order quantity and the lead time.

3.4 The Customer may change or cancel an accepted Order only with the Supplier's agreement, and will pay the Supplier's reasonable costs of materials bought and work done for the Order before it was changed or cancelled.

4. Prices and payment

4.1 The prices for the Products are in the price list called [Price list], excluding VAT, which will be added at the rate in force. Prices include packaging for normal transport and, unless the delivery terms say otherwise, delivery to the Delivery Address.

4.2 The Supplier may change its prices once a year by giving at least 90 days' written notice. It may also change prices on 30 days' notice to reflect a significant rise in the cost of raw materials, energy or transport outside its control, showing the Customer the evidence. A change does not affect Orders already accepted.

4.3 The Supplier will invoice each delivery when it is made. The Customer will pay each correct invoice within [Payment terms (days)] days of the invoice date.

4.4 If the Customer does not pay on time, the Supplier may charge interest under the Late Payment of Commercial Debts (Interest) Act 1998, and may suspend deliveries after giving seven days' written notice.

5. Delivery

5.1 The Supplier will deliver the Products on the delivery date in the accepted Order, on these terms: [Delivery terms]. Each delivery will have a delivery note showing the Order number, Products, quantities and batch numbers.

5.2 If the Supplier expects to deliver late, it will tell the Customer at once with a new date. If delivery is more than 14 days late for a reason within the Supplier's control, the Customer may cancel that Order without charge.

5.3 Risk in the Products passes to the Customer on delivery.

5.4 Ownership of the Products passes to the Customer only when the Supplier has received payment in full for them. Until then, the Customer will store them separately and marked as the Supplier's property, and may use or resell them in the ordinary course of its business. If the Customer becomes insolvent before paying, the Supplier may recover Products that remain unpaid for and can be identified.

6. Inspection and rejection

6.1 The Customer will inspect each delivery within ten working days and tell the Supplier in writing of any shortage, damage or failure to meet the Specification that is visible on reasonable inspection.

6.2 The Supplier will, at its option, replace rejected Products or refund their price, and collect them at its own cost.

6.3 Defects that could not reasonably have been found on inspection are covered by clause 7.

7. Quality and warranty

7.1 The Supplier promises that the Products will, on delivery and for [Warranty (months)] months afterwards:

(a) conform to the Specification;

(b) be of satisfactory quality and free from defects in materials and workmanship; and

(c) comply with the law of the United Kingdom that applies to their manufacture, labelling and safety.

7.2 The Supplier will make the Products under a documented quality management system, keep records allowing each batch to be traced to its materials, and allow the Customer to audit its site and records on reasonable notice.

7.3 If a Product does not meet clause 7.1 and the Customer tells the Supplier within the warranty period, the Supplier will, at its option, repair or replace it or refund its price, and pay the reasonable costs of returning it.

7.4 The warranty does not cover defects caused by the Customer's design or materials, by misuse, by storage or handling that does not follow the Supplier's instructions, or by fair wear and tear.

7.5 These promises replace the terms implied by sections 13 to 15 of the Sale of Goods Act 1979, to the extent the law allows.

8. Recalls and product safety

8.1 Each party will tell the other at once if it learns of anything suggesting that a Product may be unsafe or may need to be recalled or withdrawn.

8.2 The parties will co-operate in any recall or withdrawal, and in any notice to a regulator. The Supplier will pay the reasonable costs of a recall to the extent it is caused by the Products' failure to meet clause 7.1.

8.3 Each party will keep records allowing Products to be traced for at least ten years after the last delivery, or longer if the law requires.

9. Specification and changes

9.1 Neither party may change the Specification without the other's written agreement.

9.2 The Supplier will not change the materials, manufacturing process, site or key sub-suppliers for a Product in a way that could affect its form, fit, function or compliance without giving the Customer at least 90 days' written notice and, where the Customer asks, samples for approval.

10. Intellectual property and confidentiality

10.1 Each party keeps its own intellectual property. Designs, drawings and specifications the Customer supplies remain the Customer's, and the Supplier will use them only to make Products for the Customer.

10.2 The Customer promises that Products made to its own designs will not infringe anyone else's rights, and will indemnify the Supplier against any claim that they do.

10.3 Each party will keep confidential the other's confidential information, use it only for this agreement, and return or destroy it when the agreement ends. This continues after the agreement ends.

11. Insurance and liability

11.1 The Supplier will hold product liability insurance of at least [Product liability insurance cover] for any one claim, and public liability insurance, during this agreement and for six years after, and will show evidence on request.

11.2 Each party's total liability to the other under or in connection with this agreement in any year is limited to the total price of Products ordered in that year, or [Limit of liability] if greater.

11.3 Neither party is liable for loss of profits, revenue or goodwill, or any indirect or consequential loss.

11.4 Nothing in this agreement limits liability for death or personal injury caused by negligence, for fraud, for liability under Part 1 of the Consumer Protection Act 1987, or for anything else the law does not allow to be limited, and clause 11.2 does not limit liability under clause 8.2 or clause 10.2.

12. Term and ending the agreement

12.1 This agreement starts on [Start date] and continues for [Term (months)] months. After that it continues until either party ends it by giving at least [Notice period (days)] days' written notice.

12.2 Either party may end this agreement by written notice if the other commits a serious breach and, if the breach can be put right, does not put it right within 30 days of being asked to, or if the other becomes insolvent.

12.3 Orders accepted before this agreement ends will be completed on its terms, unless it was ended for the Customer's failure to pay.

12.4 Clauses 5.4, 7, 8, 10, 11 and 13 continue after this agreement ends.

13. General

13.1 Neither party is liable for delay or failure caused by events outside its reasonable control, such as fire, flood, epidemic, war, a failure of public utilities or transport, or an act of government. If such an event lasts more than 60 days, either party may end this agreement by written notice.

13.2 Neither party may assign or subcontract this agreement without the other's written consent, which will not be unreasonably withheld.

13.3 This agreement is the whole agreement between the parties about its subject matter. A change is valid only if it is in writing and signed by both parties.

13.4 Only the parties may enforce this agreement. The Contracts (Rights of Third Parties) Act 1999 does not apply.

13.5 This agreement may be signed electronically and in counterparts.

13.6 This agreement and any dispute arising from it, including non-contractual disputes, are governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction.

[Note: If either party is outside the UK, agree the Incoterms rule for delivery, the currency, and who handles customs, and take advice on governing law and how a judgment would be enforced.]

Signed by an authorised signatory for and on behalf of [Client name]

Signature _____

Name _____

Position _____

Date _____

Signed by an authorised signatory for and on behalf of [Your company name]

Signature _____

Name _____

Position _____

Date _____

About this template

A starting point to adapt, not legal advice. The law differs between England and Wales, Scotland and Northern Ireland, and it changes: check this fits your situation, and take legal advice for anything significant. Replace each [placeholder] in violet, follow or delete each [Note], then delete this box. Last reviewed October 2026. Send it for signature with Sign2Approve: sign2approve.com/templates/manufacturing-supply-agreement