

FAKE SAMPLE — NOT A REAL CONTRACT FOR TRAINING / DEMONSTRATION PURPOSES ONLY

This document contains entirely fictional parties, products, data, and terms.

NO COMMERCIAL USE • NO LEGAL VALIDITY • DO NOT RELY ON THIS DOCUMENT

Buyer shown in this sample: Virtual Customer E

Sample product: Virtual API Beta

Scroll to next page for the sample contract content.

FICTIONAL SALES CONTRACT (SAMPLE)

Contract No. XEL-FAKE-2025-005

SALES CONTRACT (FICTIONAL)

Contract No.: XEL-FAKE-2025-005

Effective Date: 15 January 2025

Expiration Date: 14 January 2029

PARTIES

Seller (Fictional Scenario): Xellia Pharmaceuticals A/S (Fictional Scenario), Reg. No. DK-55443322, having its registered office at Dalslandsgade 11, 2300 Copenhagen, Denmark.

Buyer: Virtual Customer E.

Seller and Buyer are each a "Party" and together the "Parties".

1. DEFINITIONS

"Products" means Virtual API Beta — Active Pharmaceutical Ingredient (API) — bulk material for downstream formulation. (Bulk powder (non-sterile)). "Business Day" means any day other than Saturday, Sunday or public holiday in the place of delivery. "Incoterms" means Incoterms® 2020. Other capitalized terms have the meanings ascribed in this Contract.

2. SCOPE; TERM

2.1 Seller shall supply and Buyer shall purchase the Products in accordance with this Contract and the Schedule A (Products & Pricing), Schedule B (KPIs/SLAs), Schedule C (Change Control).

2.2 Term: from the Effective Date until the Expiration Date unless terminated earlier as set forth herein. Term may be extended by mutual written agreement at least 60 days prior to expiration.

3. PRODUCTS, SPECIFICATION & QUALITY

3.1 Specification: Virtual API Beta as per internal Master Specification (fictional).

3.2 Compliance: Manufactured under fictional quality management controls for training use only. Distribution in compliance with simulated GDP standards. Storage: Store in cool, dry place; protect from light.

3.3 Quality Agreement: The Parties will operate under Quality Agreement reference QA-FAKE-2005, incorporated by reference and prevailing on quality matters.

3.4 Audits: Buyer may perform a quality audit on 30 days' notice, not more than once per year, except for cause audits.

4. FORECASTS & ORDERS

4.1 Forecast: Rolling 12-month non-binding forecast updated monthly.

4.2 Purchase Orders: Buyer shall submit POs via orders+5@example.fake. Seller will acknowledge within 2 Business Days.

4.3 Minimums: Minimum order quantity (MOQ) of 5,000 units per SKU.

4.4 Lead Time: Standard lead time 6–10 weeks from PO for routine batches; expedited orders subject to capacity and surcharge.

5. QUANTITIES & PRICING

5.1 Initial quantity commitment: 250,000 units.

5.2 Pricing: Unit price: EUR 2.72 per pack. Introductory pricing for first 6 months; thereafter list price less 7% discount. Prices exclude VAT unless stated otherwise. Taxes, duties and customs are handled per Incoterms delivery condition.

5.3 Taxes: Each Party responsible for its own taxes consistent with Section 5.2 and delivery term.

5.4 Price Review: Annual review each November for the following calendar year.

6. DELIVERY; TITLE & RISK

6.1 Delivery term: DAP Buyer Site (Incoterms® 2020). Target delivery window 10–15 Business Days from dispatch confirmation.

6.2 Title & Risk: Transfer per the Incoterm; if not defined, title upon full payment and risk on delivery.

6.3 Packaging & Labeling: Tamper-evident seals; palletization per EU Pallet standard (simulated).

7. ACCEPTANCE; NONCONFORMITY

7.1 Acceptance: Sampling per ISO 2859-1, normal inspection level II; AQL 0.65 for critical, 1.0 major, 2.5 minor.

7.2 Non-Conformity: Buyer shall notify Seller in writing with supporting evidence. Parties will cooperate under the quality investigation process. Credits or replacements at Seller's discretion for validated claims.

8. RECALLS & SAFETY NOTICES

8.1 If a recall or field safety corrective action is required, Parties will coordinate per Quality Agreement QA-FAKE-2005. Costs allocated according to root cause findings.

9. WARRANTIES

9.1 This is a fictional document with no legal effect. In a real contract, Seller would warrant Products conform to Specification on release and are free from material defects for a defined period.

9.2 EXCEPT AS EXPRESSLY PROVIDED IN A REAL CONTRACT, NO WARRANTIES ARE MADE HERE. THIS IS A SAMPLE ONLY.

10. INDEMNITY & LIABILITY

10.1 Each Party shall, in a real scenario, indemnify the other against third-party claims arising from breach, negligence or willful misconduct.

10.2 Liability Cap (Sample): Aggregate liability would not exceed 120% of amounts paid in the prior 12 months. No indirect or consequential damages.

11. INTELLECTUAL PROPERTY

11.1 No license is granted under Seller IP except to use and resell the Products (sample clause). Buyer shall not reverse engineer.

12. CONFIDENTIALITY & DATA PROTECTION

12.1 Confidentiality: All non-public information exchanged is Confidential for 5 years after disclosure

(sample).

12.2 Data Protection: If personal data is processed, a Data Processing Addendum reference DPA-FAKE-1505 would apply (sample).

13. COMPLIANCE

13.1 Anti-Bribery: Parties comply with anti-bribery and corruption laws; internal policy reference ABC-FAKE-905 (sample).

13.2 Trade Compliance: Parties comply with applicable export control, sanctions and customs rules. Buyer shall not divert Products to embargoed jurisdictions (sample).

14. FORCE MAJEURE

14.1 Neither Party is liable for failure to perform due to Force Majeure events; affected Party will notify and mitigate (sample).

15. TERMINATION

15.1 For Cause: Termination for material breach not cured within 30 days of notice (sample).

15.2 Insolvency: Immediate termination on written notice if the other Party becomes insolvent (sample).

15.3 Convenience: Buyer may terminate with 90 days' notice; liabilities for firm orders and WIP (sample).

16. GOVERNING LAW & DISPUTE RESOLUTION

Governing law: Switzerland. Venue: Geneva courts; Swiss law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

17. NOTICES

17.1 Notices shall be in writing and delivered by courier or email with acknowledgment to the addresses in the preamble (legal@example.fake; contracts@buyer.fake).

18. MISCELLANEOUS

18.1 Assignment: No assignment without consent, except to affiliates (sample).

18.2 Subcontracting: Seller may subcontract manufacturing steps subject to Quality Agreement obligations (sample).

18.3 Insurance: Each Party maintains product liability insurance appropriate for its activities (sample).

18.4 Entire Agreement: This Contract (including Schedules) constitutes the entire agreement and supersedes prior discussions. Amendments must be in writing (sample).

18.5 Counterparts; E-Signatures: This Contract may be executed in counterparts and by electronic signatures (sample).

SIGNATURES (SAMPLE)

For Seller: _____ Name/Title: _____ Date: _____

For Buyer: _____ Name/Title: _____ Date: _____

Schedule A – Products & Pricing (Sample)

- Product: Virtual API Beta
- QA Release Lead Time: 10–14 days after manufacturing completion (sample)
- Shelf Life on Delivery: $\geq 80\%$ of labeled shelf life (sample)
- Delivery Term: DAP Buyer Site (Incoterms® 2020)
- Payment Terms: Milestone: 50% on PO, 50% after QA release
- Pricing: Unit price: EUR 2.72 per pack. Introductory pricing for first 6 months; thereafter list price less 7% discount. Prices exclude VAT unless stated otherwise. Taxes, duties and customs are handled per Incoterms delivery condition.
- Safety Stock: 1 month of average demand held by Seller (sample)

Schedule B – KPIs/SLAs (Sample)

- OTIF (On-Time In-Full): $\geq 95\%$ per quarter
- Batch Failure Rate: $< 1\%$
- CAPA Closure Timeliness: $\geq 90\%$ within agreed due dates
- Response Time to Queries: ≤ 2 Business Days

Schedule C – Change Control (Sample)

- Changes requiring prior approval: site changes, primary packaging changes, specification changes, shelf-life changes (sample).
- Notification lead time: 90 days (major), 30 days (minor) (sample).