

## Sample Checklist for Contract Term Sheet

### I. Other Party Information:

- A. Name: \_\_\_\_\_
- B. Address: \_\_\_\_\_
- C. Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_
- D. E-mail: \_\_\_\_\_
- E. Type of business: \_\_\_\_\_
- F. Primary Negotiator or Contact:
1. Name: \_\_\_\_\_
  2. Title: \_\_\_\_\_
  3. Address: \_\_\_\_\_
  4. Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_
  5. E-mail: \_\_\_\_\_
- G. Secondary Negotiator of Contact
1. Name: \_\_\_\_\_
  2. Title: \_\_\_\_\_
  3. Address: \_\_\_\_\_
  4. Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_
  5. E-mail: \_\_\_\_\_

### II. Type of Agreement:

- Consulting.
- with license to Company.
- without license to Company.
- with Company loaning equipment.
- software.
- hardware.

- Development.
  - with license to Company.
  - without license to Company.
  - with Company loaning equipment.
  - software.
  - hardware.

- Joint Development.
  - with license to Company.
  - without license to Company.
  - with Company loaning equipment.
  - software.
  - hardware.

- License.

**III. Purpose or goal of this Agreement:**

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**IV. Company obligations:**

- Marketing.
- Manufacture.
- Create Specification.
- Functional.
- Design.
- Engineering assistance: No. of engineers.
- Documentation.
- Primary responsibility.
- User documentation.
- Technical documentation.
- Assist Third party.

User documentation.

Technical documentation.

**V. Other Party's obligations:**

Marketing assistance.

Create specifications.

Functional.

Design.

Maintenance and support.

For specific time period: From \_\_\_\_\_ **(date)** to \_\_\_\_\_ **(date)**

For product life cycle.

Documentation.

Primary responsibility.

User documentation.

Technical documentation.

Assist Company.

User documentation.

Technical documentation.

Engineering resource requirement.

Key engineers:

- Name: \_\_\_\_\_

- Name: \_\_\_\_\_

No. of engineers:

Other: \_\_\_\_\_.

**VI. Compensation:**

Consulting fee.

Fixed: \$\_\_\_\_\_.

- Hourly: \$\_\_\_\_\_.
- Installments.
- Monthly.
- Other: \_\_\_\_\_.
- Milestone.
- Development fee: \$\_\_\_\_\_.
- Fixed: \$\_\_\_\_\_.
- Hourly: \$\_\_\_\_\_.
- Installments.
- Monthly.
- Other: \_\_\_\_\_.
- Milestone.
- License fee: \$\_\_\_\_\_.
- Royalties/Incentives.
  - Based on early delivery.
  - Based on Unit Sales.
  - Based on ASP.
- Currency conversion will be required.
- Flexible rates (based on size/ no. of units).
- Paid after Company recoups.
  - tool-up costs.
  - marketing costs.
  - development costs.
- Other compensation: \_\_\_\_\_.

**VII. Intellectual Property Rights:**

- Owned by Company.

- Owned by other party.
- Each party owns each party's developed portion.
- Joint ownership.
- Other than the above: \_\_\_\_\_.

**VIII. License Rights** (if Company is to receive license):

- License is:
  - exclusive.
  - nonexclusive.
- License includes the right to:
  - modify and develop.
  - use.
  - sell.
  - distribute.
- License is limited in scope because it is:
  - restricted to Company (and affiliate) products.
  - restricted to geographic regions.
  - restricted to a specific Company location.
- License extends to affiliates:
  - Right to sublicense.
    - to affiliates.
    - to third parties.

**IX. Delivery Schedule, (Milestones) and (Milestone) Payments**

*(Insert Table)*

**X. Acceptance:**

- Testing done:
  - at Company facility.
  - with Company data.

- Subject to Company's sole discretion.
- To be done within how many days after delivery:
  - 30.
  - 45.
  - 60.
  - Other: \_\_\_\_\_.
- Corrections to any rejected deliverable within how many days after rejection:
  - 10.
  - 20.
  - 30.
  - Other: \_\_\_\_\_.

**XI. Term and Termination:**

- Expiration Date: \_\_\_\_\_.
- No specific expiration.
- Automatic renewal.
- Optional termination by Company.
- Prior to 60 days after execution.
- After payment of \$\_\_\_\_\_.
- If Key Engineer of other party leaves project.
- If a deliverable is rejected twice.

**XII. Confidential Information Handling**

- No proprietary information will be exchanged.
- Company proprietary information will be given.
- Company will receive the other party's proprietary information but it will not contaminate Company's independent design activity because: **(explain)** \_\_\_\_\_

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- Company will receive the other party's proprietary information and it may contaminate Company or its affiliate's independent design activity if not handed appropriately. Hence, I will make sure to apply the following restrictions for Company or affiliate's employee to access the information:

- A. Only project members may access the other party's confidential information.
- B. Project members which access shall not be involved in Company's original design to which such confidential information may be applicable.
- C. All access will be logged (*person/date/time*).
- D. No copy will be made.
- E. No information will be transferred to a Company affiliate unless such affiliate agrees in writing to isolate such information from engineers of affiliate's original projects.

[ ] I understand the confidential information handling procedures.

[ ] I do not understand the confidential information handling procedures.

Submitted By \_\_\_\_\_

Date \_\_\_\_\_