

Termination Clause Sample for Subcontractor Agreements

1. Termination

- a. **Termination for Convenience.** The Contractor may terminate this Agreement, or any part of it, at any time and for any reason, by providing the Subcontractor with seven (7) days' written notice. In such event, the Subcontractor shall be entitled to payment for work properly performed up to the date of termination, as mutually agreed in writing.
- b. **Termination for Cause.** Either party may terminate this Agreement immediately by written notice to the other party if the other party:
 - i. Materially breaches any term or obligation under this Agreement, and fails to cure such breach within five (5) days after receipt of written notice describing the breach;
 - ii. Becomes insolvent, files for bankruptcy protection, or has a receiver appointed over its assets.
- c. **Effect of Termination.** Upon termination, Subcontractor shall promptly stop all Services, deliver all Work Product to Contractor, and submit a final invoice for all Services properly rendered and expenses incurred prior to the termination date. Payment shall be made as specified, subject to the terms of this Agreement.
- d. **Survival.** Any terms of this Agreement that by their nature should survive termination (including but not limited to confidentiality, indemnity, and dispute resolution clauses) shall remain in effect after termination.

This sample clause is provided for general reference only and should be reviewed and customized as appropriate for your specific project and jurisdiction before use.