

# Commercial Contract

## AGREEMENT FOR RETAIL TRADING



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

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**January 2013**

### 3. AGREEMENT FOR RETAIL TRADING

**THIS AGREEMENT FOR RETAIL TRADING** (hereinafter referred to as the "Agreement") made and entered into at \_\_\_\_\_ (insert place) on this \_\_\_\_ (insert date) day of \_\_\_\_\_ (insert month) 20\_\_ (insert year),

#### **BY AND BETWEEN:**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

**OR**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(Hereinafter referred to as the "Business", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents)

**AND**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

**OR**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(Hereinafter referred to as the "Retailer", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents)

(The Business and the Retailer are hereinafter collectively referred to as the "Parties", and individually as the "Party").

**WHEREAS** the Business is engaged in manufacturing [insert products].

**AND WHEREAS** the Retailer wishes to retain the retailership of the business for the sale of its products specified in Schedule "A" (hereinafter referred to as the "Products").

**AND WHEREAS** the Retailer has declared and represented to the Business that it has sufficient and adequate staff, finances, expertise and facilities to sell the Products. The Retailer has further represented that it has obtained and possesses the requisite licenses and approvals from the concerned authorities to sell the Products.

**AND WHEREAS** in reliance on the aforementioned representations of the Retailer, the Business has agreed to permit the Retailer to sell the Products on the terms and conditions contained herein.

**NOW THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:**

**1. TERM**

- (1) The Business hereby permits the Retailer to display and sell the Products in its shops and premises indicated in Schedule 'B' hereto hereinafter referred to as the "Shops").
- (2) This Agreement shall become effective on [insert date], and shall remain in force for a period of [insert number] years, unless terminated by either Party under the terms and conditions of this Agreement.

**2. ORDERS**

The Retailer shall place orders with the Business, from time to time, for such of the Products as it shall require on the prescribed purchase order form, which the Business, in its entire discretion, shall have the right to refuse.

**3. DELIVERY**

The Business shall deliver the Products to the Retailer at the indicated Shops on or before the date of delivery mentioned in the respective purchase order against which the delivery is being made (hereinafter referred to as the "Date of Delivery"). The expense incurred in such delivery shall be borne exclusively by the Business

**4. RISK OF LOSS**

The risk of loss or damage to the Products, arising out of any casualty, regardless of the cause, shall be on the Business until the time that the Products have been delivered to the Retailer, after which the risk shall transfer to the Retailer.

**5. PRICING AND PAYMENTS**

- (1) The Business shall submit its invoice at the end of every [insert number] months for the Products ordered and delivered to the Retailer within that period.
- (2) The Retailer agrees to pay all amounts due to the Business promptly and in any event within [insert number] days of the receipt of the relevant invoice. Any failure or delay in making payments by the Retailer shall constitute a material breach of the Agreement.
- (3) The Price against each purchase order shall be determined at the time of placing of the order. The said price shall be subject to review at the sole option of the Business, with or without prior notice to the Retailer.
- (4) The Retailer agrees not to charge prices of the Products to the customers higher or lower than the prices provided by the Business, unless the discount has been approved by the Business.

**6. EXCLUSIVE DISPLAY**

- (1) The Retailer shall, after the approval of the Business, designate a specific

portion of [insert size] at each of its Shops permanently for exclusive display of the Products,

(2)The Retailer shall ensure that any and all publicity materials and signs for the Products are prominently displayed within the Shops.

#### **7. COMPLIANCE WITH BUSINESS' SCHEMES**

The Retailer shall comply with the terms of all promotional and discount schemes, offers and trade incentives announced by the Business from time to time, in a timely and diligent manner.

#### **8. RETAILER'S RISK**

Any trade credit given by the Retailer to its customers shall be at the Retailer's own cost and risk.

#### **9. RIGHT TO INSPECTION**

The Retailer shall have the right to inspect the Products on arrival and, within [insert number] business days after delivery of the Products, the Retailer must give notice to the Business of any claim for damages on account of condition, quality or specifications of the Products, specifying the claim in detail. The failure of the Retailer to comply with these conditions shall constitute irrevocable acceptance of the Products by the Retailer.

#### **10. PRODUCT REPLACEMENT**

In case of the Retailer giving the notice of any claim to the Business, the Business shall, within [insert number] days of the receipt of the notice replace the subject Products.

#### **11. NO COMPETITION**

The Retailer agrees that during the continuation of this Agreement, and for [insert number] years following the expiry or the termination of this Agreement, the Retailer shall not enter into any business within insert territorial boundary], in any capacity, which may be in direct competition with the Business.

#### **12. CONFIDENTIAL INFORMATION**

Each Party shall at all times during the continuance of this Agreement and after its termination keep confidential all trade secrets, know-how or other confidential information (hereinafter referred to as the "Confidential Information") made available under or in connection with this Agreement.

#### **13. RECORD OF SALES**

The Retailer shall cause to be maintained, at its own cost and expense, a record of all sales of the Products and shall submit all statements/returns in respect thereof as and when required by the Business.

#### **14. RESTRICTIONS**

The Retailer shall not under any circumstance make use of the trademarks, trade names and logos of the Business in any way except with the prior written permission of the Business.

## **15. TERMINATION**

This Agreement may be terminated, with or without cause, at any time by either Party by giving the other Party a [insert number] days prior written notice.

## **16. ASSIGNMENT**

This Agreement may not be assigned in whole or in part by the Retailer without the prior written consent of the Business.

## **17. INDEMNIFICATION**

The Retailer agrees to indemnify the Business against all costs, claims, damages, expenses, demands or losses to the extent they arise out of any act or omission of the Retailer or to any breach of this Agreement on the part of the Retailer.

## **18. GOVERNING LAW**

The validity, interpretation, and the performance of this Agreement shall be governed by the laws of [insert place].

## **19. SEVERABILITY**

If any term or provision of this Agreement is determined to be invalid, it shall not affect the validity and enforcement of the remaining terms and provisions of the Agreement.

## **20. DISPUTE RESOLUTION**

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

## **21. FORCE MAJEURE**

- (1) Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.
- (2) Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3) The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4) Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

**22.AMENDMENT**

This Agreement may be modified, extended, enlarged or amended from time to time by mutual agreement and consent of the Parties.

**23.NON WAIVER**

The failure of either Party to exercise any right provided in this Agreement shall not be construed as a waiver its right to subsequently enforce such provision or any other provision of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have set their hands and seals the day, month and year mentioned hereinabove.

\_\_\_\_\_  
For and on behalf of  
**The Retailer**

\_\_\_\_\_  
For and on behalf of  
**The Business**

**WITNESS NO. 1**

**WITNESS NO. 2**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

Designation: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE A  
PRODUCTS**

**SCHEDULE B  
SHOPS**