

Commercial Contract

AGREEMENT FOR WHOLESALE TRADING



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road,
Lahore

Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7
helpdesk@smeda.org.pk

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3 rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 helpdesk.punjab@smeda.org.pk	5 TH Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 helpdesk-khi@smeda.org.pk	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 helpdesk-pew@smeda.org.pk	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 helpdesk-qta@smeda.org.pk

January 2013

2. AGREEMENT FOR WHOLESALE TRADING

THIS AGREEMENT FOR WHOLESALE 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 "Wholesaler", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents)

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

WHEREAS the Wholesaler is engaged in the sale of [insert products] in bulk quantities.

AND WHEREAS the Business owns a retail shop for the sale of [insert description of products], and wishes to buy the Wholesaler's products (hereinafter referred to as the "Products") in bulk for their sale at its retail shop.

AND WHEREAS the Wholesaler has agreed to provide the Business with the Products in bulk quantities for further sale, subject to the minimum order quantities as mentioned in Schedule A to this Agreement.

NOW THEREFORE the Parties have entered into this Agreement on the following terms and conditions:

1. TERM

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

3. PRICING AND PAYMENT

(1) The Business shall, at the time of placing of the order, make a payment of [insert percentage]% of the entire order price communicated to the Business at the time of placing of the Order. The remaining price shall be payable to the Wholesaler by the Business within [insert number] days of the delivery of the order to the Business, subject to Clause 6 of this Agreement.

(2) The Prices of the Products quoted to the Business at the time of placing of the order shall be inclusive of the cost of delivery of the Products from the Wholesaler to the Business.

4. DELIVERY

The Wholesaler shall deliver the Products to the Business at [insert address] (hereinafter referred to as the "Destination") 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 Wholesaler.

5. 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 Wholesaler until the time that the Products have been delivered to the Business, after which the risk shall transfer to the Business.

6. INSPECTION

Following the delivery of the Products, the Business shall, within [insert number] days, inspect the products to see if the products are in accordance with the specifications provided by the Business to the Wholesaler. Any defect in the Products shall be communicated by the Business to the Wholesaler within [insert number] days of the delivery of the Products, in which case the Wholesaler shall be required to replace the defected Products within [insert number] days of the complaint, or else, refund the purchase price against the defected Products at the Business' option. In the event of the failure of the Business to communicate the defects in the Products within [insert number] days, the Products shall be deemed to be accepted by the Business, and the remaining Price of the Products shall become payable, immediately.

7. NO RIGHT TO COMMISSION

The Wholesaler shall not be entitled to any commission from the Business against the sale of the Products. Similarly, the Wholesaler shall not, in any case, be responsible for the failure of the Business to resale the Products and shall not

be required to repurchase the Products in the event of the failure of the Business to sell the same at its retail outlet.

8. NON EXCLUSIVITY

The Parties understand that this is not an exclusive agreement, and the Wholesaler shall have a right to sell the Products to any other entity, at such terms and conditions which the Wholesaler may deem fit.

9. CONFIDENTIALITY

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.

10. 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.

11. ASSIGNMENT

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

12. GOVERNING LAW

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

13. 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.

14. 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].

15. 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.

16.AMENDMENTS

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

17.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 Wholesaler

For and on behalf of
The Business

WITNESS NO. 1

WITNESS NO. 2

Signature: _____

Signature: _____

Name: _____

Name: _____

Designation: _____

Designation: _____

Date: _____

Date: _____

SCHEDULE A

PRODUCTS AND MINIMUM QUANTITIES

Product	Minimum Quantity
1. [insert description of Products]	[insert minimum order quantity]
2. [insert description of Products]	[insert minimum order quantity]
3. [insert description of Products]	[insert minimum order quantity]