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## AGREEMENT FOR THE SUPPLY OF GOODS

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DATED: THE \_\_\_ DAY OF \_\_\_\_\_ 20\_\_

**BETWEEN**

ABC Company Limited (the "Supplier")

**AND**

Sample Company Limited (the "Customer")

**AND**

John Smith of 104 Burberry Street London WC2A 1PL (the "Guarantor")

## AGREEMENT FOR THE SUPPLY OF GOODS

DATED THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_\_ .

### THE PARTIES

**BETWEEN:** ABC Company Limited of 1 Smith Lane London WC2A 1PL  
(the "Supplier")

**AND** Sample Company Limited of 52 Chance Lane London WC2A 1PL  
(the "Customer")

**AND** John Smith of 104 Burberry Street London WC2A 1PL  
(the "Guarantor").

### 1. THE ENGAGEMENT

1.1. The Customer has engaged the Supplier to supply the goods described in Item One of the Schedule (the "Contract Goods") and the Supplier has agreed to supply the Contract Goods for the Customer.

1.2. The Supplier represents to the Customer that the Supplier has skill, knowledge, experience and expertise in providing the Contract Goods and will provide the Contract Goods to the standard required by the Customer.

1.3. The Customer will not, without the prior written consent of the Supplier (which consent may be refused without the Supplier being obliged to give any reason therefore) appoint any other person, company or entity to supply the same or similar goods to the Contract Goods with the intent that the Supplier will be the sole and exclusive provider of the Contract Goods to the Customer.

### 2. PRICES AND PAYMENT

2.1. The Customer has agreed to pay the Supplier the prices for the Contract Goods (the "Prices") as set out in Item Two of the Schedule on the terms and in the method set out in Item Three of the Schedule. The Prices include VAT and are the full amount which the Customer must pay for the Contract Goods. The Supplier must issue a Tax Invoice for the Contract Goods supplied. The Customer will pay for the Contract Goods as provided in Item Three of the Schedule.

2.2. If for whatever reason the Customer does not pay for any Contract Goods when payment becomes due the Supplier may, without being in breach of this Agreement, suspend supply of the Contract Goods until all outstanding payments have been made. If the Customer fails to make such payment within 7 days of any request for payment,

then the Supplier may terminate this Agreement by giving notice in writing to the Customer to that effect.

- 2.3. Until the Supplier is paid all money due to the Supplier by the Customer, the Supplier is entitled to hold by way of lien as security for such payment all the Customer's property (if any) in the Supplier's possession.
- 2.4. The Supplier must add and separately identify on each of its Tax Invoices all VAT.
- 2.5. The Supplier may from time to time by notice in writing to the Customer increase the Prices provided that it will not do so more than the number of times set out in Item Four of the Schedule in any period of 12 months and the total of all such increases in any 12 months will not be more than the percentage set out in Item Four of the Schedule.

### **3. RETENTION OF TITLE**

- 3.1. Until the Customer has paid the Supplier for the Contract Goods, title in the Contract Goods will not pass to the Customer. Where the Contract Goods have been delivered to the Customer, the Customer must store the Contract Goods (in respect of which payment has not been made) separately from other Contract Goods that have been paid for and in a manner that allows the unpaid Contract Goods to be clearly identified.
- 3.2. Until the Contract Goods are paid for, the Customer holds them as bailee at will holding for the Supplier.
- 3.3. The Customer must keep the Contract Goods insured noting the Supplier's interest therein. Where the Contract Goods are destroyed or damaged, the whole of the proceeds of any insurance claim made by the Customer under its policy will be held by the Customer on trust for the Supplier and applied firstly in paying for the unpaid Contract Goods.
- 3.4. Notwithstanding that title remains in the Supplier, the Contract Goods will be at the Customer's risk until they are paid for.

### **4. QUALITY OF CONTRACT GOODS**

- 4.1. The Contract Goods must be of good quality, conform with their description and be fit for all their disclosed intended purposes.
- 4.2. The Contract Goods must comply with all safety standards, codes and applicable legislation.

**5. ORDERING, DELIVERY AND PACKAGING**

- 5.1. All Contract Goods must be ordered by the Customer on the Supplier's standard order form or standard method which order form or method the Supplier may from time to time change.
- 5.2. Unless otherwise agreed in writing the Contract Goods must be delivered to the Customer within the number of days set out in Item Five of the Schedule from the date they are ordered.
- 5.3. Delivery will take place at the Supplier's warehouse. The Contract Goods must be packaged in such a manner as to allow the Contract Goods to be transported to the Customer or as the Customer may direct and not be damaged in the usual or normal course of such transportation.
- 5.4. The Customer may require any particular packaging of the Contract Goods provided that if this is different from the manner in which the Supplier usually packages those Contract Goods, all such additional costs will be borne by the Customer. The transportation costs from the place of delivery will be borne by the Customer.

**6. BREACH BY SUPPLIER**

- 6.1. If the Supplier breaches any of its contractual obligations under this Agreement and fails to remedy that breach promptly and in any event within 7 days of being requested in writing by the Customer to remedy the breach, then the Customer may by written notice to the Supplier terminate this Agreement. Upon termination of the Agreement, the Customer is only obliged to pay the Supplier for the Contract Goods actually supplied to the Customer.

**7. BREACH BY CUSTOMER**

- 7.1. If the Customer breaches any of its contractual obligations under this Agreement and fails to remedy that breach promptly and in any event within 7 days of being requested by the Supplier to so remedy, then the Supplier may by written notice to the Customer terminate this Agreement. Upon termination of the Agreement, the Supplier has no obligation to supply any further Contract Goods to the Customer. The Supplier will be entitled, notwithstanding such termination, to claim as a debt owing any amount due to the Supplier on termination and claim damages in respect of any loss sustained by the Supplier including loss of profits resulting from the breach.

**8. WARRANTY**

- 8.1. The Supplier warrants that all the Contract Goods are fit for purpose and capable of being used by the Customer for their intended purpose. If for whatever reason the

Contract Goods are not fit for purpose or do not conform with their specifications, the Supplier will on request and at no cost to the Customer repair and fix the Contract Goods so that the Customer can fully enjoy and use the Contract Goods for their intended purpose. This warranty does not apply if the Customer incorrectly uses the Contract Goods.

## 9. TERMINATION

9.1. Either party may terminate this Agreement at any time after 6 months from the date hereof by giving to the other party 1 month's prior written notice to that effect. On the expiry of that month (the "Termination Date") this Agreement will be at an end. The Supplier must be paid by the Customer up to and including the Termination Date for all Contract Goods ordered before the Termination Date.

9.2. Notwithstanding any provision of this Agreement, the Customer has the right to terminate this agreement by written notice to the Supplier to that effect provided that at that time the Customer also pays the Supplier the sum of £25,000.00 which sum the parties agree is fair and reasonable compensation for the termination of this Agreement. The Customer must also pay any previously invoiced amounts then outstanding.

## 10. STATUTORY WARRANTIES AND LIMITATION OF LIABILITY

10.1. All Statutory Warranties that can be expressly excluded are hereby excluded.

10.2. Where the Contract Goods are not of the kind ordinarily required for personal, domestic or household use or consumption then the liability of the Supplier is limited to:

(a) in respect of goods:

- (i) the replacement of the goods or the supply of equivalent goods; or
- (ii) the repair of the goods; or
- (iii) the payment of the costs of replacing the goods or acquiring equivalent goods or the payment of the costs having the goods repairs.

## 11. GUARANTEE IN FAVOUR OF THE SUPPLIER

11.1. This Agreement has been entered into at the request of the Guarantor. In consideration of the Supplier entering into this Agreement to supply the Contract Goods to the Customer on the terms set out above, the Guarantor hereby guarantees to the Supplier the due and punctual performance by the Customer of all of the terms of this Agreement and in particular but without limitation the Customer's obligations to pay for the Contract Goods when such payment is due.



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