

**SALE AGREEMENT**  
**(Under the Sale of Goods Act, Chapter 82, Laws of Uganda)**

Please see reverse  
for instructions.

THIS AGREEMENT is made on [day/month/year] \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**BETWEEN** [name of seller<sup>1</sup>] \_\_\_\_\_

Of [postal address<sup>2</sup>] \_\_\_\_\_

[physical address<sup>3</sup>] \_\_\_\_\_

[telephone<sup>4</sup>] \_\_\_\_\_

**AND** [name of buyer<sup>5</sup>] \_\_\_\_\_

Of [postal address<sup>2</sup>] \_\_\_\_\_

[physical address<sup>3</sup>] \_\_\_\_\_

[telephone<sup>4</sup>] \_\_\_\_\_

1. The Seller shall supply [number and units<sup>6</sup>] \_\_\_\_\_ of [goods] \_\_\_\_\_

2. The quality of the goods shall be as follows<sup>7</sup>: \_\_\_\_\_

3. [The buyer or supplier] Mr./Ms. \_\_\_\_\_ will organise and pay for transportation of the goods.

4. The goods shall be collected from or delivered to [physical address] \_\_\_\_\_

on or before [day/month/year] \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ or<sup>8</sup> \_\_\_\_\_

5. The price of the goods shall be as follows:

Price (per unit)	UShs.
Number of units	
<b>Total amount payable<sup>9</sup></b>	<b>UShs.</b>

6. Inputs provided as an advance by the buyer (where applicable) shall be as follows:

Description <sup>10</sup>	Value <sup>11</sup>	Amount charged on the seller <sup>12</sup>
	UShs	UShs
	UShs	UShs
	UShs	UShs
<b>Totals</b>	<b>UShs</b>	<b>UShs</b>

7. The payment terms shall be as follows<sup>13</sup>:

Payments	Due dates	Amount	Mode <sup>14</sup>
<b>Input advance<sup>15</sup></b>		UShs	In kind
<b>Cash advance<sup>16</sup></b>		UShs	
<b>At delivery/Collection</b>		UShs	
<b>After Delivery/Collection</b>		UShs	
<b>Total Payable<sup>17</sup></b>		<b>UShs</b>	

8. A penalty of 10% per month is either added to the outstanding amount payable by the buyer or deducted from the outstanding amount due to the seller where (i) no reasonable cause or (ii) insufficient notice is given regarding:

- (a) Delivery by the seller \_\_\_\_\_ days<sup>18</sup> after the agreed date specified in 4 above
- (b) Collection by the buyer \_\_\_\_\_ days<sup>18</sup> after the agreed date specified in 4 above
- (c) Payment by the buyer \_\_\_\_\_ days<sup>18</sup> after the agreed date specified in table 6 above

Before signing please  
see reverse for the  
additional terms 10-19

9. This agreement shall begin on [day/month/year] \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

and run until [day/month/year] \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

20. The Parties having freely agreed to the terms above and on page 2 now indicate their acceptance by signing below:

SIGNED by [seller] \_\_\_\_\_ [buyer] \_\_\_\_\_

Witnessed by [name] \_\_\_\_\_

[signature] \_\_\_\_\_

**Additional terms:****10. Warranties**

The seller assures the buyer that he is the rightful owner of the goods and undertakes to indemnify the buyer against any loss that may arise from any third party claims in respect of the goods.

**11. Freedom of contract**

The seller freely agrees to sell the goods and the buyer freely agrees and is able to buy the goods on the terms set out in this agreement.

**12. Acceptance of goods**

The buyer shall be given an opportunity to inspect the goods before she or he accepts them. After inspection, the buyer will be entitled to: (a) accept the goods; or (b) reject the goods where they do not meet the agreed quality; or (c) accept part of the goods that meet the agreed quality and reject the rest.

**13. Transfer of ownership and risk**

The ownership and thus the risk will be transferred from the seller to the buyer at the time the buyer accepts and physically takes over the goods from the seller.

**14. Severability**

In the event that any of the provisions of this Agreement cannot be met, the rest of the agreement shall not be affected.

**15. Pay adjustment**

In case the seller, out of no fault of her or his own, cannot meet the required quantities, the total amount payable shall be adjusted accordingly. If the amount that has already been paid exceeds the quantity she or he is able to supply, the seller shall refund the excess.

**16. Amendment**

This document constitutes the whole agreement between the Parties and no amendment to this Agreement will be binding unless it is in writing and signed by both Parties.

**17. Termination**

This Agreement may be terminated by either party on giving sufficient notice of 14 days under the following circumstances:

- a) Failure by the buyer to pay the price
- b) Failure by the seller to supply the goods
- c) Bankruptcy (Winding Up in case of a Company or a Registered Cooperative Society) of one of the parties,
- d) Occurrence of any event that is beyond the control of the parties, e.g. war, destruction of the goods by fire, natural calamities or any other reasonable cause.

**18. Conflict resolution**

Any conflict arising from this Agreement shall first be resolved amicably between the parties, and if they fail, the conflict shall be referred to a Mediator to be agreed to by both parties. The Mediator can be a Community Leader, a Village Elder, a Representative of a Trade Association or any other Trusted Person.

**19. Law Applicable**

This agreement shall be governed by the Laws of the Republic of Uganda.

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**Payments made & received**

Date	Remark <sup>19</sup>	Amount	Balance	Buyer's Signature	Seller's signature

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**Instructions**

- <sup>1</sup> The seller can also be represented, e.g. by his/her agent.
- <sup>2</sup> Provide P.O. Box and District.
- <sup>3</sup> Provide: Plot Number, Village, Sub-County, and District.
- <sup>4</sup> Provide own telephone number or from a contact person.
- <sup>5</sup> The buyer can also be represented, e.g. by his/her agent.
- <sup>6</sup> Provide number of sacks, boxes, tins, crates, kilos, litres, acres, or any other unit and specify the unit. Where contracts cover multiple deliveries specify time e.g. per week, per months. Use separate contracts for different goods.
- <sup>7</sup> Specify the quality standard if available or describe what the goods are to be used for.
- <sup>8</sup> For multiple deliveries specify the periods indicated in 1, e.g. every Monday, every first Monday of the month, every other Saturday etc.
- <sup>9</sup> Total amount payable is the price per unit times the number of units. This amount must be equal to the total payable in table 7.
- <sup>10</sup> State the input provided e.g. fertilizer, land clearing, tilling, seeds, seedlings, transport, etc.
- <sup>11</sup> Provide the total value of the goods or services provided, if known.
- <sup>12</sup> Provide the amount of money that will be charged from the seller and is to be deducted from the payments.
- <sup>13</sup> Please see the "Payment made & received" table where the buyer and the seller can sign to confirm payments.
- <sup>14</sup> Indicate if payment is to be made in cash, by cheque, bank transfer, in kind or specify any other type of payment.
- <sup>15</sup> Input deduction is the amount charged to the seller indicated in table 6
- <sup>16</sup> This can be a cash advance in the form of a loan or credit
- <sup>17</sup> This should be equal to the total amount in table 6
- <sup>18</sup> The seller and buyer can agree on any number of days depending on the perishability of the goods
- <sup>19</sup> Indicate receipt number, cheque number or "cash".