

## **Memorandum of Understanding (MoU) Between the Manufacturer and the Wholesaler (Distributor)**

(To be prepared on 100 Rs. Stamp paper)

This is with reference to the recent meeting, the manufacturer (the company) and the wholesaler have discussed and mutually agreed on the following points:

The Company hereby agrees to appoint the wholesaler as the sole wholesaler for ----- City and surrounding places/-----State, to buy and sell the products of the company under the brand name-----.

This agreement commences from ----- and shall be in force for a period of --- year/years. The same can be renewed, if both parties mutually agree.

At any point of time, the wholesaler will not stock or sell any other product or brand competing with the product of the company, without the consent of the company in writing. At the same time, the company shall also not sell their products to any other person, company or firm in the wholesaler's territory.

The company shall insure the goods for transit and the insurance charges are to be borne by the wholesaler.

The payment terms are for strictly within --- days from the date of the Invoice or Challan, whichever is earlier. Failing on which, the company shall be forced to charge a penal interest @ 24% per annum to the wholesaler for the overdue period.

**Goods once supplied will not be taken back or exchanged under any circumstances.** It is the responsibility of the wholesaler to check the products at the time of the receipt of the goods and inform the company, if there is any variation from the order, shortcomings or manufacturing defect, if any, within 3 working days from the date of the receipt of the goods. Thereafter, the company is not responsible to accept any claim whatsoever.

As the company has agreed to allow the credit, as a security deposit, the wholesaler will provide a signed account payee blank cheque (without date) to the company, which will remain with them during the tenure of the agreement. In case of non receipt of the payment from the wholesaler to the company within the stipulated agreed credit period, they reserve the right to deposit the said cheque in their Bank account. If the cheque bounces or the "Payment is Stopped" due to any reason, the company is free to take the legal actions against the wholesaler under section 138 of the Negotiable Instruments Act.

Any 'B' grade sheets produced against the ordered sheets, the company can supply those sheets at a discounted price @ 15 to 20% less than the respective prices along with 'A' grade sheets.

The wholesaler shall have no right of action against the company in respect of any loss occurring to them by reason of any delay in delivery of the goods due to shortage of raw material or delay in transit or delays caused by accidents or strikes or in case of discontinuation of design.

Free Samples and folders can be supplied as per the sampling policy of the company.

In case of any dispute, it is subject to -----Jurisdiction only.