

5. DELIVERIES RISK AND OWNERSHIP

- 5.1 The Products will be delivered by the Supplier to the Purchaser at the delivery points specified in Annex 4. This may be changed by agreement.
- 5.2 When the delivery point is at the premises of the Supplier, the Purchaser will be responsible for collection and loading of Products and will from that point be responsible for insurance of the Products.
- 5.3 Where the delivery point is at the premises of the Purchaser or some other location which requires the Supplier to arrange transportation of the Products, the Supplier will be responsible for insurance of Products in transit and responsible for unloading Products from the delivery vehicle at the delivery point.
- 5.4 All deliveries will be made during normal working hours of the Purchaser, unless otherwise agreed in writing.
- 5.5 Ownership of and risk in the Products will pass to the Purchaser from the Supplier at the delivery point either when Products are loaded onto the vehicle for which the Purchaser is responsible or unloaded from the vehicle for which the Supplier is responsible, whichever is applicable.
- 5.6 The Supplier will arrange, from time to time, for packaging and labeling of the Products in accordance with procedures agreed in writing with the Purchaser from time to time. The Supplier will also provide such documentation as may be appropriate to enable the Products to be delivered to the delivery point.
- 5.7 If the Purchaser fails to take delivery of Products on the date fixed for delivery, any costs incurred by the Supplier in storing them will be reimbursable by the Purchaser on demand and risk in Products will pass to the Purchaser.

6. PRICES

- 6.1 Prices of Products at the date of this Contract are shown in Annex 1 of the present Contract. These prices include transportation to the delivery point.
- 6.2 Prices will be subject to adjustment at the commencement of each new Contract Year.

Alternative A. A formula to determine new prices is shown in Annex 5 of the present Contract.

Alternative B. New prices will be adjusted through negotiation and agreement during [1, 2, 3] months before the commencement of the new Contract Year. In fixing any new prices, the Supplier will provide the Purchaser with details of cost increases and other relevant data. Both Parties will act in good faith in these negotiations.

6.3 Prices applying at the time that negotiations commence will apply until a price change is agreed. If within [30, 60] calendar days from the commencement of a Contract Year, no agreement on a change in price has been reached, the Supplier will have the right to give [30, 60, 90] days notice to terminate the Contract.

6.4 When the Purchaser buys Products for resale, it will be free to fix its own resale prices.

7. PAYMENT TERMS

7.1 *Alternative A.* The Supplier will invoice the Purchaser at the end of each calendar month for the quantity of Products supplied during the month. Each invoice will show the description, quantity and date of delivery of all Products supplied. Payment will be due [30, 60, 90] calendar days from the invoice date.

Alternative B. The Purchaser will establish a revolving letter of credit in favor of the Supplier prior to the first delivery date for Products under this Contract. The letter of credit will be on terms acceptable to the Purchaser and will be confirmed by a bank in the Supplier's territory. The letter of credit will be maintained at a value agreed between the Parties as being sufficient to meet the estimated cost of Products due for delivery in each month. At the end of each month the Supplier will submit an invoice to the confirming bank (with a copy to the Purchaser). Each invoice will show the quantities and dates of delivery of all Products supplied during the month. Payment will be due [30, 60, 90] days from the date of the invoice.

7.2 The Supplier will upon request provide the Purchaser with copies of delivery notes and other relevant data to support invoices which are submitted.

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