

# SALES AGREEMENT TEMPLATE

This is a sales agreement between:

1. \_\_\_\_\_ (the Seller), and
2. \_\_\_\_\_ (the Buyer)

The Seller is a member (no. \_\_\_\_\_) of the MCDI Group Certificate Scheme, FSC certificate number SA-COC-002151, and hereby agrees to sell to the Buyer, and the Buyer agrees to purchase, some produce as specified below from its certified forest named \_\_\_\_\_.

The Buyer acknowledges that FSC certification makes certain requirements above and beyond those necessary in following the laws of Tanzania, and agrees to abide by them, and support the Seller in conforming to the rules of the Group Certificate Scheme, health and safety requirements, and its regulations and procedures for harvesting as set out in documents SD01, SD06 and SD07 respectively.

The rough quantities of produce to be sold and their unit prices are as follows:

Species	Quantity (m <sup>3</sup> )	@	Total
Estimated total for products:			

In addition the Buyer agrees to reimburse the Seller for the following additional services at the costs given:

Item	Quantity	@	Total
Estimated total for services:			

The total estimated amount the Buyer will pay is therefore calculated as: \_\_\_\_\_ /-

The Buyer hereby acknowledges that the exact quantity of product will be dependent upon the individual trees selected to be felled. The Buyer also acknowledges that fees for additional services will increase with the length of time taken to complete the harvest.

The Buyer agrees make an advance payment to the Seller of \_\_\_ % of the estimated total for forest products and 100% of the estimated services fees. This advance fee is thus calculated as \_\_\_\_\_ /-.

No harvesting will take place until this advance payment has been received. The Buyer will pay the Seller the full amount outstanding before they remove the forest produce from the Seller's land.

The Buyer and Seller together agree that harvesting should begin on \_\_\_\_\_ (date), and that the harvested produce should be ready to collect on \_\_\_\_\_ (date). Should either the Buyer or Seller need to change these dates they will communicate clearly with the other party as soon as they become aware of the circumstances requiring them to change their plans, giving a full explanation. Where this communication is not provided in writing both agree to inform the Group Certificate Manager at MCDI so as to ensure clear understanding is maintained.

The Buyer will collect the harvested forest produce from \_\_\_\_\_ and agrees all costs in moving the produce from this point will be borne entirely by them.

The Buyer agrees to collect the harvested produce from the forest within three calendar months of the above listed date or the date on which they are informed the produce is ready, whichever is later. For each month delay after that the Buyer agrees to pay the Seller a non-reimbursable penalty fee equal to 5% of the value of the produce to compensate them for the costs of storage and ensuring the integrity of the supply chain has been maintained. The Seller agrees to waive this fee for each month the collection site is inaccessible due to adverse weather conditions. Regardless of the weather, if the Buyer has not collected their produce within a further three months the Seller has the right to sell the harvested produce to other buyers. In such an event the Seller will reimburse the Buyer all advance payments less any costs incurred by them.

Hereby agreed between the parties:-

**Buyer**

**Seller**

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Represented by

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Represented by

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Position

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Position

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Signed

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Signed

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Date

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