

AGREEMENT Between Estate Factory AND SHGS

(To be Typed in Stamp paper of proper value)

This agreement made on this theday ofmonth...year between -----Small tea producers Society / Self Help Group ----- herein after referred to as the “seller” on the one part and -----Tea factory ----- herein after referred to as “Buyer” of the other part.

Where as the seller has offered to supply and the Buyer has agreed to purchase the green tea leaves produced by the seller at the Buyers factory on a regular basis on the following terms and conditions.

- (a) The seller has agreed to sell green tea leaves to the buyer for a period of 1 (one) year with effect from----- to -----.
- (b) The seller confirms that only fresh and good quality green tea leaves conforming to the green leaf standard fixed by the Tea Board will be offered to the buyer. The coarse leaf % will be ascertained by the buyer at the factory in presence of the representative of the seller and the coarse % so ascertained by the buyer will be binding on the seller.
- (c) In delivery of the green tea leaves, the buyer shall have the right to segregate the same on the basis of the quality of the leaf as per the mutually agreed parameters.

(The various grades of green tea leaves supplied by the seller will thereafter be weighed and recorded jointly by the seller and the buyer or their authorised representative. In the case of dispute regarding the coarse content, quality and quantity of the green leaf supplied by the seller, the decision of the Buyer’s factory authority shall be final.)

- (d) The buyer shall have the sole discretion to fix the price in conformity with the price agreed upon mutually from time to time as also to accept or reject the green tea leaves supplied by the seller depending on the quality.
- (e) An advance shall be paid to the seller by the buyer for the green leaf supplied every week. The balance price of green leaf supplied and accepted by the buyer for any month will be paid in two instalments with in 15 days of the following month based on the average sale price realised forfactory for the month under reference.
- (f) The buyer shall have the right to make adjustments with regard to the moisture content if any and will have the right to make suitable deductions depending upon the degree of rainfall and the wetness of the leaf. Deductions will be made on the tare weight if the leaf is wet and the weight to be reduced will be between 5–10%.
- (g) The seller shall transport the green leaf to the buyer's factory as per the time fixed by the buyer and the buyer shall not purchase the Green Leaf after the notified time. If the buyer makes any arrangements for transport of the Green Leaf, corresponding deductions based on the distance to be travelled and service charges there on, will be deducted from the price payable.
- (h) The seller agrees to supply Green Leaf exclusively to the buyer and shall not supply to any other factory/ party with out prior approval of the buyer. Any violation in this regard shall lead to termination of this agreement.
- (i) In the case of failure on the part of the seller to supply the agreed quantity of green leaf(-----Kg) as per the quality standard, the buyer holds the liberty to purchase GL from third parties and the seller undertakes to make good the additional cost incurred by the buyer in purchasing the green leaves from third parties.

- (j) The seller shall be considered for incentives if the seller is able to supply more than -----kgs of Green Leaf of high quality.
- (k) The buyer reserves the right to reduce the price of the Green Leaf supplied by the seller in the event of inability of the seller to supply the quantity of Green tea leaves as committed (-----kg) of the agreement or for the reasons beyond the control of the buyer such as the recession in the tea industry, direction from Courts, tribunals, authorities, Governmental actions, closure or lockouts.
- (l) The buyer shall inform at least 7 days in advance of it's inability to purchase the quantity of Green Leaf supplied by the Seller as agreed due to reasons beyond the control of the buyer such as recession in the tea industry, direction from the courts, tribunals, authorities, Govt. actions, closure or lockouts or when own production meets the factory capacity.
- (m)The seller shall transport the Green Leaf in proper plastic crates/green leaf bags and the weight of the Green Leaf shall not exceed 20 kgs.
- (n) The buyer shall intimate the seller at least one week in advance of any holiday declared by the buyer.
- (o) This agreement shall be in force for a period -----with effect from-----and shall be renewable for further period by mutual consent. However, either party can terminate this agreement during the period agreed hereto by giving 30 days notice in writing to the other party of their intention to terminate.
- (p) The seller assures that they will not use any chemical which are not approved by Tea Board-UPASI- TRF in the production of green tea

leaf and use of any such chemicals will be strictly following their recommendations.

- (q) The parties hereby agree that any dispute regarding the terms of this agreement shall be resolved by mutual discussion. However in the event of any litigation arising out of disputes relating to this transaction, the same shall be tried by the Courts of Cochin only and it is also agreed that no other courts other than the courts of Cochin shall have jurisdiction to try any such litigations.

Signed on behalf of

Seller:

Buyer:

Witness:

Witness:

1.

1.

2.

2.