

Buyer's fact pattern

Background to negotiation of a purchase agreement (information known by both parties)

The buyer, based in the US, is a transportation company (CSX Transportation Inc). The prospective seller, based in Japan, is an established manufacturer of HGVs. The parties are looking to negotiate an agreement for the supply of HGVs by the seller.

The parties are due to meet in order to negotiate the terms of the agreement between them. In anticipation, the buyer has sent the prospective seller its standard purchase agreement (annexed).

You are expected to negotiate the following conditions:

1. Title and risk of loss (clause 4)
2. Inspection and acceptance (clause 6)
3. Force majeure (clause 16)
4. Laws (clause 22(a))
5. Arbitration (clause 23)

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You are free to negotiate all the clauses, as you are keen to have the seller producing the goods specified.