

Sale & Purchase Agreement

UREA 46

CONTRACT CODES AND REFERENCE NUMBERS:	ORDER NO.:	CONTRACT #

Date : _____.____.2006

THIS AGREEMENT IS BETWEEN:

THE Seller :
Address :

Phone/Fax :
Email :
Represented by:

THE BUYER :
Address:

Phone/Fax:
Email:
Represented by:

IMPORTANT NOTICE!

THE PAYMENT CONDITIONS AND THE PROCEDURE FOR UREA DELIVERIES WERE JUST CHANGED.

THE VALID PARAGRAPHS CAN BE SEEN IN THE REVISED LOI DRAFT.

THIS CONTRACT WILL BE ADJUSTED SOONEST.

Whereas: The Seller with full corporate authority to sell makes an irrevocable firm commitment under penalty of perjury to sell and deliver the Product defined hereafter.

The Seller and the Buyer agree to honour this Agreement under the following terms and conditions:

DEFINITIONS

1. "Product" is the commodity to be traded as described in Article 2
2. "Total Contract Quantity" is the quantity of Product to be supplied in total under this agreement.
3. "Monthly Shipment Quantity" is the amount of the product delivered monthly.
4. "Shipment Quantity" is the size of the individual shipments making up the Total Contract Quantity
5. "Total Contract Value" is the value in US Dollars for the supply of the Total Contract Quantity
6. "Monthly Shipment Value" is the value of shipments per calendar month
7. "Rate per Metric Tonne" is the value in US Dollars per metric tonne of Product
8. "Delivery Terms" is the agreed delivery point as defined by INCOTERMS 2000

ARTICLE 01: ORIGIN

The origin will be **UKRAINE / Europe**. Each shipment is to have a Certificate of Origin and a Schedule of Quantity and shipments indicating origin will be supplied.

ARTICLE 02: PRODUCT QUALITY AND SPECIFICATIONS

Initials:

Seller

Buyer

The representative of SGS or World Class Inspection organisation at the port of loading shall confirm the product quality conforms to the following specification:

Specification : UREA 46% Nitrogen.
Packing : 50Kg PP Bagged, herein after called the Product

Urea Specifications:

Specification: UREA 46% By Weight Minimum
Prill: 90-94% Min
Nitrogen: 46% By Weight minimum
Moisture 0.5% Max (by Method of Drying)
Biuret: 1% Max By Weight
Anti-Caking Treated Properly Against Caking
Free Ammonia: 160 pxt, ppm max
Granulation: 1-4mm 90% Min
Melting Point: 132 Degrees Celsius
Colour: Pure White Prilled
Physical: Free From Harmful Substances, Impurities and Dust
Radiation: Certified Fully non-radioactive
Free Flowing 100% Anti cacking treated

ARTICLE 03: DESTINATION

Any safe port

ARTICLE 03.1 LOADING PORT(S) – UKRAINE/CIS Main Port(s) or at Seller's choice

ARTICLE 04: BASIS OF DELIVERY

The date of the bill of lading shall be considered as the date of lifting and delivery.

ARTICLE 05: PRODUCT DELIVERY & SPECIFICATION

The whole quantity of ,**000 MT** , herein after called the Total Contract Quantity, to be shipped within 30-45 days of receipt LC. Shipment rates **for 12 Months. Both parties agrees shipment of ,000 Mt per month (+/- 5.0 %)**

Both Parties agree a "Test-Spot-Shipment" of ,00 MT to be realized latest 14 Working days after Final Contract was signed. If this Spot supply is satisfyingly completed, arise the validity in law of the present Contract. Terms of delivery and payment are executed in accordance with the present contract.

ARTICLE 06: PRODUCT DOCUMENTATION

One set of the following documents consisting of three originals and three non-negotiable copies will be furnished by the Seller:

- Manually signed Commercial Invoice
- Ocean Bill of Lading marked "Freight Prepaid" and clean on board issued to the order Of and consigned to
- Certification of Weight and Quality, Issued by SGS, or Equivalent.
- Beneficiaries and the Hard Copies have been sent by (DHL) or similar.
- Packing is showing gross/net weight and number of ocean Bill of Lading

Initials:

Seller

Buyer

- Other documents to be stated.
- Certificate evidencing that insurance certificate has been sent to applicant by courier.

ARTICLE 07: CONTRACTED QUANTITIES

The quantity sold by the Seller and Purchased by Buyer shall be Total Contract Quantity of the Product. Quantity and value tolerance 5% (five percent) to be effected according to "ARTICLE 05: PRODUCT DELIVERY"

ARTICLE 08: WEIGHT AND QUALITY

The Seller guarantees to his account the shipment of the Product shall be provided by SGS or similar authority at Seller's expense, which shall be deemed to the final, and binding on both parties. Seller instructs said authority to carry out the inspections.

ARTICLE 09: PRODUCT SALE AND PAYMENT TERMS

Buyer and Seller agree to the following quantity and price of payment.

Total Contract Quantity: _____,000 Metric Tons , +/- 5% (Total Contract Quantity)

Shipment Quantity: 25.000 MT or other load sizes agreed between the parties, according to "ARTICLE 05: PRODUCT DELIVERY" of this Agreement. Partial shipment allowed.

Rate per Metric Ton: **USD** _____, per Metric Ton (One Hundred and _____ United States Dollars) herein after called the Rate per Metric Ton.

Total Contract Value **USD** _____,000.00

Delivery Terms CIF ASWP

ARTICLE 10: PAYMENT TERMS

BY IRREVOCABLE, TRANSFERABLE, DIVISIBLE AUTO-REVOLVING ON MONTHLY BASIS BEING FULLY FUNDED FOR THE ONE MONTH SHIPMENT VALUE OF (_____,000 M/T), ONE TIME TRANSFERABLE, DIVISIBLE, ASSIGNABLE, DOCUMENTARY LETTER OF CREDIT (MEANS MONTHLY – FFDLC AMOUNT IS USD _____,0,000 (_____ MILLION _____ THOUSAND UNITED STATES DOLLARS), ISSUED AND/OR CONFIRMED (NOT REQUIRED IF THE ISSUING BANK IS TOP 50 WORLD PRIME BANK) BY AN ACCEPTABLE TOP 50 WORLD PRIME BANK IN THE WORLD IN FAVOUR OF SELLER TO SELLER'S BANK PAYABLE 100% ON THE MONTHLY SHIPMENT VALUE AT SIGHT UPON ACCEPTABLE PRESENTATION OF THE SHIPPING DOCUMENTS AS STATED IN (CLAUSE 15 DOCUMENTS REQUIRED FOR PAYMENT) IN THIS CONTRACT AT SELLER'S BANK COUNTER. THE MONTHLY-FFDLC FEE FOR INITIAL CONFIRMATION WILL BE ON BUYER'S EXPENSE (IF NECESSARY TO CONFIRM). THE MONTHLY-FFDLC SHALL AUTOMATICALLY REVOLVE 11 (ELEVEN) ADDITIONAL TIMES UP TO THE COMPLETION OF THE ENTIRE CONTRACT AMOUNT.

THE AFORESAID BUYER'S MONTHLY-FFDLC SHALL BE ISSUED IN COMPLETE AND CONFIRMED BUT NON-OPERATIVE FORM, AND SHALL BECOME AUTOMATICALLY OPERATIVE AND FULLY AND IRREVOCABLY ACTIVE UPON SELLER POSTING ITS OPERATIVE 2% PERFORMANCE BOND ON MONTHLY BASES AS WELL AS POP, AS HEREIN PROVIDED.

BEFORE THE PAYMENT INSTRUMENT IS TRANSFERRED TO THE SELLER'S ACCOUNT, THE TEXT OF THE PAYMENT INSTRUMENT MUST BE REVIEWED AND APPROVED BY THE SELLER'S BANK. WORDING OF MONTHLY-FFDLC IS TO

Initials:

Seller

Buyer

BE SENT TO SELLER ALONG WITH ACCEPTED COPY OF THE CONTRACT. THE LETTER OF CREDIT TEXT COULD BE PROVIDED BY THE SELLER IN ORDER TO SAVE TIME. THE LETTER OF CREDIT DOCUMENTS SHALL BE NEGOTIATED AND PAYABLE AT THE SELLER'S BANK.

ANY DEVIATION FROM THE PAYMENT TERMS IS SUBJECT TO ACCEPTANCE BY THE SELLER OR HIS BANK. ALL BANK CHARGES AND COMMISSIONS AT BUYER'S BANK FOR BUYER'S ACCOUNT. ALL BANK CHARGES AND COMMISSIONS AT SELLER'S BANK FOR SELLER'S ACCOUNT. ALL BANK CHARGES, INCLUDING ALL CONFIRMING, ASSIGNING, TRANSFERRING, ADVISING, NEGOTIATING CHARGES ARE FOR ACCOUNT OF APPLICANT PLUS ADVISING BANK DISCREPANCY CHARGES ON BENEFICIARY DOCUMENTS ARE FOR APPLICANT'S ACCOUNT. THIS MUST BE CONFIRMED IN THE MONTHLY-FFRDLC BY THE ISSUING AND CONFIRMING BANKS. AMENDMENT CHARGES ARE FOR THE ACCOUNT OF THE FAULTY PARTY.

THIS DOCUMENTARY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS UCP 500 BY ICC PUBLICATION NO.500. THE LETTER OF CREDIT SHALL BE OPENED BY BUYER AS PER CONTRACT WITH A VALIDITY OF 12 +1 MONTHS.

BY TRANSFERABLE, DIVISIBLE, AUTO-REVOLVING L/C (AT FACE VALUE OF ONE MONTH SHIPMENT AND REVOLVING FOR 11 ADDITIONAL TIMES REQUIRED TILL COMPLETION OF THE ENTIRE CONTRACT AMOUNT). THE FINANCIAL INSTRUMENT THE LETTER OF CREDIT SHOULD BE IRREVOCABLE AND CONFIRMED BY A TOP 50 WORLD PRIME BANK IN FAVOUR OF SELLER TO SELLER'S BANK PAID 100% AT SIGHT AGAINST SHIPPING DOCUMENTS INCLUDING INSPECTION AT THE PORT OF LOADING.

THE LETTER OF CREDIT DOCUMENTS SHALL BE NEGOTIABLE AND PAYABLE AT THE SELLER'S BANK. LETTER OF CREDIT OPENING BANK SHALL ALLOW ADDING CONFIRMATION BY ANY BANK AT THE EXPENSE OF THE BUYER'S SIDE. ALL BANK COSTS FROM BUYERS BANK TO SELLERS BANK ARE FOR THE BUYERS ACCOUNT.

THE LETTER OF CREDIT MUST ALLOW A MINIMUM OF FIVE (5) BANKING DAYS FOR PRESENTATION AND NEGOTIATION OF DOCUMENTS BUT WITHIN THE EXPIRY PERIOD DOCUMENTARY LETTER OF CREDIT.

DOCUMENTARY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM RULES AND PRACTICE FOR DOCUMENTARY CREDITS UCP 500 ISSUED BY ICC. PRIOR TO OPENING OF THE SAID FINANCIAL INSTRUMENT, SELLER SHALL RECEIVE THE WORDING OF THE FINANCIAL INSTRUMENT FOR VERIFICATION BY THE SELLER'S BANK TO AVOID UNNECESSARY BANK CHARGES.

ARTICLE 11: APPENDIX 3

ARTICLE 12: AGREEMENT PROCEDURES

1. BUYER ISSUES LOI
2. SELLER ISSUES DRAFT CONTRACT (THIS DOCUMENT)
3. BUYER COMPLETES ANY MISSING INFORMATION ACCEPTS CONTRACT SIGNS OFF AND RETURNS TO SELLER.
4. SELLER, COUNTERSIGNS, EMAILS OR FAXES CONTRACT TO BUYER.
5. WITHIN 3 (THREE) WORKING DAYS AFTER SIGNING THE DRAFT CONTRACT BUYER'S BANK ISSUES RWA INCLUDING THE DRAFT OF THE LETTER OF CREDIT TO THE APPROVAL OF THE SELLER'S BANK.
6. WITHIN 7 (SEVEN) WORKING DAYS SELLER'S BANK SWIFT THE SELLER'S POP TO THE BUYER'S BANK
7. PARTIES ARE SIMULTANEOUSLY EXCHANGING 4 COPIES OF THE ORIGINAL SIGNED HARD COPIES OF THE CONTRACT.
8. WITHIN 3 (THREE) WORKING DAYS AFTER SIGNING THE FINAL CONTRACT BUYER'S BANK ISSUES NON OPERATIVE MONTHLY-FFRDLC TO THE SELLER'S BANK FOR ACCEPTANCE.
9. SELLER'S BANK ISSUES OPERATIVE 2% PB AND FULL POP WHICH AUTOMATICALLY ACTIVATES THE NON-OPERATIVE LC ISSUED BY THE BUYER'S BANK

Initials:

Seller

Buyer

10. FIRST SHIPMENT IS 30-45 DAYS AFTER THE SELLER RECEIVES AT THEIR BANK THE BUYER'S OPERATIVE LETTER OF CREDIT.

LETTER OF CREDIT TERMS

PARTIAL SHIPMENTS ALLOWED; TRANSSHIPMENT NOT ALLOWED
SHIPPING DOCUMENTS PRESENTED WITHIN 21 (TWENTY-ONE) DAYS AFTER BILL OF LADING DATE BUT WITHIN LETTER OF CREDIT VALIDITY ARE ACCEPTABLE.
THE DOCUMENTS SHALL INCLUDE CHARTER PARTY BILLS OF LADING AND SUCH DOCUMENTS DOCUMENTS SHALL BE ACCEPTABLE
QUANTITY AND AMOUNT OF LETTER OF CREDIT (+/- 5 %) FIVE PERCENT ALLOWED
DOCUMENTS WORDING (PCT) OR (%) OR (PERCENT) IS ACCEPTABLE
AMENDMENT CHARGES WILL BE AT FAULTY PARTYS ACCOUNT

ARTICLE 13: TRANSPORT

The Seller will advise the Buyer of the name of the vessel and/or substitutes, the flag of the vessel and the vessel's position not later than six (6) days prior to the vessel's arrival at the port of loading.

All supervision and security fees or any such other levies at the port of loading are for the Seller's account.

Not later than seventy two (72) hours from the completion of loading, the Seller's agent shall telex, fax or cable the Buyer and inform him of the vessel's sailing date and the expected time of arrival at the port of destination. Seller shall also inform the Buyer of the quantity loaded per chamber and quantity shipped.

ARTICLE 14: VESSEL DISCHARGE

The vessel's Master is to advise the buyer's agent at port of discharge the vessel's name, date of arrival, vessel capacity, number or hatches/number of cargo chambers, quantity loaded per cargo chamber and particulars of the vessel's readiness to effect cargo operations through all hatches. Complete schedule of shipments and their origin to be forwarded prior to negotiation of documents.

The Vessel Master shall give twenty (20) days and seven (7) days provisional notice and 72, 63 and 21 hours final notice of the vessel's estimated time of arrival at port of destination to the Buyer's Agent at the port of discharge. Such notices shall be effected during normal business hours is responsible for the product discharge.

Lay time shall commence from 1.00 P.M. if vessel notices of readiness to discharge is given prior to noon and from 8.00 A.M. of the next working day if notice is given after noon. If the port is congested, then lay time is to commence Twenty Four (24) hours after notice of readiness is given. The Buyer is responsible for the product discharge.

The average discharge rate shall be 2,000/MT for bagged product or 6.000/MT for bulk product per weather working day of twenty-four (24) hours. The port of discharge rate will be adjusted according to the port's capacity. The times from 5.00 P.M. hours on Saturday to 08.00 A.M. hours on MONDAY AND FROM 17.00 HOURS ON THE DAY PROCEEDING TO 08.00 A.M. hours on the day proceeding to 08.00 A.M. hours on the day succeeding any holiday are excluded even if used.

Should the vessel be discharged at the rate less than the average, the buyer shall pay to seller demurrage at a rate between US \$25,000 (Twenty Five Thousand United States Dollars) and US \$ 30,000 (Thirty Thousand United States Dollars) per running day and a pro-rata share for any portion of any running day.

It is agreed that demurrage be the settled by the vessel's Master and Buyer's shipping agent within five (5) days from the receipt of the vessel Master's Invoice.

Initials:

Seller

Buyer

All taxes or levies imposed by the country of destination, having any effect on this Agreement are for the Buyer's account and his sole responsibility. All taxes or levies and dues imposed by the country of origin, having any effect on the Agreement are for the Seller's account and his sole responsibility.

Should the vessel be required to shift from one berth for another port of discharge, then the time used shifting shall be for buyer's account. In the event loitering is required at the port of discharge, said expenses are for the Buyer's account.

In the event of delayed delivery, the Seller shall pay to the Buyer an amount equivalent of 0.5% (Zero point five percent) of the shipment value for every (7) Days delay. The maximum amount payable shall not exceed 2.11 % of the total value of the goods. Buyer is authorised to claim on the Seller's insurance policy (if CIF delivery terms apply) in the event of non-delivery and Seller agrees to support the Buyer's claim by providing all documents required for the processing of said claim, as appropriate.

ARTICLE 15: INSURANCE

In accordance with RSA rules and the terms and conditions of the Agreement, Insurance is to be covered by the Ultimate Buyer and at his sole responsibility.

ARTICLE 16: FORCE MAJEURE

Neither party to this Agreement shall be held responsible for breach of Agreement caused by an act of God insurrection, civil war, military operations or local emergencies. The parties do hereby accept the international provision of Force Majors as published by the International Chamber of Commerce and as defined in the ICC rules.

ARTICLE 17: AGREEMENT ARBITRATION

The Parties hereby agree to settle all discrepancies amicably. If settlement is not reached, the dispute in question shall be submitted for arbitration shall be considered as final, irrevocable, and binding upon both parties.

By initialling below, the parties to this agreement acknowledge that they have fully read and understand this provision and that they are voluntarily agreeing to binding arbitration. In addition, the parties acknowledge and understand that the binding arbitration described above deprives them of various rights that they might otherwise have in a legal action, including without limitation the right to a jury trial, the right to appeal, and the right to full discovery.

ARTICLE 18: EXECUTION OF AGREEMENT

- Each of the Parties to this Agreement represent that it has full legal authority to execute this Agreement and that each party is bound by the terms and conditions as set forth herein. Each Party agrees that the Agreement may be executed simultaneously by and between the Parties via Fax, each of which shall be deemed as original nature.
- This Agreement represents the entire undertaking between the Parties and any change will be made as amendments in writing and executed by both Parties.
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ARTICLE 19: CONFIDENTIALITY, NON DISCLOSURE AND NON-CIRCUMVENTION

This product is offered for sale subject to this agreement terms and conditions. Previous transactions; if any, between the Buyer and the Seller or their Parties shall at no time reflect on the terms and conditions of the Agreement and acceptance of the product by the Buyer shall be conclusive evidence before any court of law or arbitration these terms and conditions apply.

Seller and Buyer agree not to do business together for five (5) years from this Agreement without Paying Buyer and Seller representatives the agreed customary commission. This clause is extensive to all subsidiaries and or affiliated

Initials:

Seller

Buyer

companies. It is further agreed that any information of Buyer and Seller contained in this Agreement is to be held in the strictest confidence, and any violation of which will result in the immediate cancellation of this Agreement.

ARTICLE 20; GOVERNING LAW

The Parties hereby agree to settle any dispute arising from or relating to this Agreement amicably, failing which, the dispute shall be submitted to the International court of arbitration, International Chamber of Commerce (ICC) Paris, France for arbitration by single arbitrator and in accordance with its rules or arbitration. The arbitration shall take place in London, England in the English language, and the findings of the arbitrator shall be considered final and binding upon both Parties. This Agreement and the provisions hereof shall in all respects be governed by the laws of England.

ARTICLE 21: NOTE

If any provision of the Agreement is held to be invalid, illegal or unenforceable, the validity, and the enforceability of the remainder of this Agreement shall be in force, as such provision was not part thereof.

THE BUYER AND HIS AGENT SHALL BE LIABLE FOR OBTAINING IMPORT LICENSE OF CONTRACT GOODS AND DISCHARGING THE SAID GOODS AT DISCHARGE PORT. ANY AND ALL COSTS DUTIES, TAXES, FEES AND SIMILAR COSTS AT DISCHARGE PORT INCLUDING DISCHARGE EXPENSES ARE FOR THE ACCOUNT OF BUYER. ANY CHARGE INCURRING DUE TO DELAY OF IMPORT AND HENCE INFLUENCING DISCHARGE WILL BE AT BUYER'S ACCOUNT AND BUYER'S SOLE RESPONSIBILITY. NO REJECTION DUE TO IMPORT LICENSE AND OTHER INCURRING ISSUES ARE ACCEPTED BY SELLER, AS A RESULT OF THAT CIRCUMSTANCE, BUYER SHALL PAY THE PENALTY AT THE AMOUNT OF 100% OF TOTAL CONTRACT VALUE PLUS OCEAN FREIGHT.

AS A RESULT OF THE SELLER DEALS THE SELLER SHALL PAY THE PENALTY AT THE AMOUNT OF 100% OF TOTAL CONTRACT VALUE

ARTICLE 22: SPECIAL CLAUSES

1. This Agreement by fax or e-mail shall be deemed as invalid until signed by both Parties. This Agreement by fax (or e-mail) will remain enforceable even after the hard copy Agreement is exchanged. Thereafter any additions or amendments will not be valid unless rendered and signed by both Parties via fax or e-mail.
2. If any party to this Agreement, other than the bank official representing the buyer and the Seller, should make unauthorised contact with the bank of the Seller or the Buyer, such contact shall be considered interference with the Agreement and shall, if the option of the Buyer or the Seller, constitute valid reason to terminate this Agreement. The interfering Party will be entitled to file legal proceedings against the interfering party at the International Chamber of Commerce at Paris, France to recover their losses.

ARTICLE 23: AGREEMENT SIGNATURIES

In witness thereof parties have signed below and by doing so have accepted and approved all terms and conditions of this Agreement. IN WITNESS WHEREOF, the parties have executed this agreement and made effective on the last date for all signatories.

ARTICLE 24: REMARKS:

Initials:

Seller

Buyer

ANY CHANGES MADE IN THE CONTRACT THAT ARE NOT INITIALED WILL MAKE THE CONTRACT NULL AND VOID

Executed as a Deed this Date of ____ ____, 2006

EXECUTED for and on behalf of
SELLER, in accordance with the
Corporations Act of the relevant
Country by authority of the Directors

witness

EXECUTED for and on behalf of **BUYER**,
in accordance with the Corporations Act of
the relevant Country by authority of the
Directors

SIGNATURE OF DIRECTOR

SIGNATURE

SIGNATURE OF DIRECTOR

CONFIDENTIAL

aa-group@gmx.ch

NAME OF DIRECTOR.

MR. _____
(CHAIRMAN)

NAME OF DIRECTOR.

MR
(CHAIRMAN)

**this information is
only for your
personal use**

NAME OF DIRECTOR.

MR. _____
(CHAIRMAN)

Initials:
Seller

Buyer

Appendix 1

SHIPPING SCHEDULE

SHALL FOLLOW AFTER SIGNATURE OF CONTRACT

TOTAL QUANTITY: _____,000 MT MT (+5%) CIF as per S/P contract and shall be delivered under the following terms and conditions.

The basis of delivery for all shipments shall be a minimum of 12,500 and/or 25,000 and/or 50,000 metric tons per shipments.

Delivery shall begin THIRTY TO FORTY (30-45) days after receipt and confirmation of an operative financial instrument acceptable to the seller, and completed within the stated time. Discharge will be **minimum 2,000** mt/WWD day.

The schedule of the shipments given is for a time period of **12** months. The seller can change the monthly schedule by adding new shipments in order to get all the required quantity of _____,000 (**_____ HUNDRED THOUSEND**) Metric Tons within a time of **12** months. The seller has to inform the buyer for ay change in the schedule 1 (one) months before the shipment.

- A. THE FINAL DATES SHALL BE RE-CONFIRMED BY SELLER
- B. SHIPMENT SHALL COMMENCE AFTER AVAILABILITY OF ACCEPTABLE FUNDS

SHIPPING AND PROCEDURE

1.0 SUMMARY OF DISCHARGING TERMS

- 1) DISCHARGING TERMS: CUSTOMARY QUICK DISPATCH (CQD)
- 2) NOTICE OF READINESS MAY BE TENDERED IN WRITING AT ANY TIME ATDN SHING, WIFPON, WICCON, WIPON, WIBON AFTER THE VESSEL HAS ARRIVED AT THE PORT OF DISCHARGE, OR SO NEAR THEREUNTO AS THE MAY BE PERMITTED TO APPROACH WHETHER IN PORT OF DISCHARGE OR NOT AND IS IN EVERY RESPECT READY FOR DISCHARGING WHETHER IN BERTH OR NOT.
- 3) THE SELLER SHALL AGREE A REASONABLE TIME FOR DISCHARGING THE VESSEL AT DISCHARGE PORT. THE TIMES FROM 1700 HOURS ON SATURDAY TO 0800 HOURS ON MONDAY AND FROM 1700 HOURS ON THE DAY PROCEEDING TO 0800 HOURS ON THE DAY SUCCEEDING ANY HOLIDAY ARE EXCLUDED EVEN IN USED.
- 4) THE AVERAGE DISCHARGE RATE SHALL BE 1,500 METRIC TONNES (± 5%) PER WEATHER WORKING DAY (WWD) OF 24(TWENTY-FOUR) HOURS. IF THE PORT OF DISCHARGE HAS A LOWER AVERAGE DISCHARGE, THE DISCHARGE RATE WILL BE ADJUSTED ACCORDING TO THE PORT CAPABILITY.
- 5) LAY TIME SHALL COMMENCE FROM 1300 HOURS IF VESSEL NOTICES OF READINESS TO DISCHARGE IS GIVEN PRIOR TO NOON AND FROM 0800 HOURS OF THE NEXT WORKING DAY IF NOTICE IS GIVEN AFTER NOON. IF THE PORT IS CONGESTED, THEN LAY TIME IS TO COMMENCE 24(TWENTY-FOUR) HOURS AFTER NOTICE OF READINESS IS GIVEN.
- 6) IT IS AGREED THAT DEMURRAGE BE SETTLED BY THE VESSEL'S MASTER AND BUYER'S SHIPPING AGENT WITHIN 05(FIVE) DAYS FROM THE RECEIPT OF THE VESSEL MASTER'S INVOICE. ALL TAXES OR LEVIES IMPOSED BY THE COUNTRY OF DESTINATION, HAVING ANY EFFECT ON THIS AGREEMENT ARE FOR BUYER'S ACCOUNT AND HIS SOLE RESPONSIBILITY. ALL TAXES OR LEVIES AND PORT DUES IMPOSED BY THE COUNTRY OF ORIGIN, HAVING ANY EFFECT ON THIS AGREEMENT ARE FOR THE SELLER'S ACCOUNT AND HIS SOLE RESPONSIBILITY.

Initials:

Seller

Buyer

2.0 WEIGHING

AT LOADING PORT, SELLER SHALL, AT SELLER'S EXPENSE, DETERMINE THE WEIGHT OF THE SHIPMENT BY DRAFT SURVEY. THE WEIGHT AS ASCERTAINED AND CERTIFIED TOGETHER WITH THE SELLER'S ANALYSIS SHALL BE THE BASIS OF INVOICE. BUYER MAY AT BUYER'S EXPENSE, HAVE THEIR REPRESENTATIVES PRESENT DURING THE DRAFT SURVEY at loading port. BUYER may, AT BUYER'S EXPENSE, APPLY TO SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE (SGS) or similar recognized authority FOR WEIGHING AT DISCHARGE PORT. THE WEIGHT OF THE SHIPMENT AT DISCHARGE PORT IS TO BE ASCERTAINED BY DRAFT SURVEY. SELLER MAY, AT SELLER'S EXPENSE, HAVE THEIR REPRESENTATIVES PRESENT AT THE TIME OF SUCH DETERMINATION. IF THERE ARE DISCREPANCIES IN OUTTURN WEIGHT ON A BASIS OF OVER 0.5% COMPARED TO THE INTURN WEIGHT, THEN BUYER AND SELLER MAY CONSULT TO SETTLE THE DIFFERENCE. IF A DRAFT SURVEY IS NOT PERFORMED AT DISCHARGE PORT. SELLER'S CERTIFICATE OF WEIGHT WILL BE REGARDED AS FINAL. WEIGHT FOR INVOICING PURPOSES SHALL BE ESTABLISHED BY THE ACTUAL NET WEIGHT. WEIGHT FRANCHISE OF 0.5% SHALL BE ALLOWED AGAINST BILL OF LADING WEIGHT. IN CASE SHORT/OVER WEIGHT EXCEEDS +/-5% THE SELLER/BUYER SHALL COMPENSATE BUYER/SELLER FOR THE AMOUNT OF EXCLUDING THE FRANCHISE ON THE BASIS OF CONTRACTED PRICE.

3.0 SAMPLING AND ANALYSIS

- 1) AT LOADING PORT, SELLER SHALL AT SELLER'S EXPENSE, DETERMINE THE SPECIFICATION OF product CONTAINED IN EACH SHIPMENT ACCORDING TO THE LATEST INTERNATIONAL STANDARD ORGANISATION (ISO) PROCEDURES IN RESPECT OF THE CHEMICAL ANALYSIS, AND SIZE STRUCTURE. SELLER SHALL PROVIDE A CERTIFICATE SHOWING DETAILS OF THE DETERMINATION. BUYER MAY, AT BUYER'S EXPENSE, HAVE THEIR REPRESENTATIVES PRESENT AT THE TIME OF SUCH DETERMINATION.
- 2) AT DISCHARGE PORT, the said inspection authority SHALL SAMPLE FROM EACH SHIPMENT ACCORDING TO THE LATEST ISO PROCEDURES AND DIVIDE THE SAMPLE INTO THREE PARTS, ONE FOR THE BUYER, THE SECOND FOR POSSIBLE NEED OF SELLER AND THE THIRD FOR POSSIBLE UMPIRE ANALYSIS WHICH SHALL BE SEALED AND KEPT BY the said inspection authority. SELLER MAY, AT SELLER'S EXPENSE, HAVE THEIR RE REPRESENTATIVES PRESENT AT THE TIME OF SAMPLING AND ANALYSIS.
- 3) the said inspection authority SHALL ANALYSE THE SAMPLE FOR BUYER AND WITHIN SIXTY (60) DAYS OF COMPLETION OF DISCHARGE ISSUE AND PROMPTLY FORWARD TO SELLER BY AIRMAIL A CERTIFICATE SHOWING THE PERCENTAGE OF CHEMICAL ELEMENTS, AND THE RELEVANT SCREEN ANALYSIS. The ANALYSIS SHALL BE.
- 4) IN THE EVENT THAT SELLER DOES NOT RECEIVE the said authority REPORT WITHIN 60 DAYS AFTER COMPLETION OF DISCHARGE, SELLER'S CERTIFICATE OF ANALYSIS ISSUED AT LOADING PORT SHALL BE REGARDED AS FINAL AND SHALL FORM THE BASIS FOR FINAL INVOICE.
- 5) IF THE DIFFERENCE BETWEEN BUYER'S AND SELLER'S ANALYSIS MADE UNDER THIS CONTRACT IS MORE THAN 0.5% OR IF THERE EXISTS A SIGNIFICANT DIFFERENCE BETWEEN THE TWO SAID ANALYSES, SELLER SHALL CONSULT WITH BUYER TO RECONCILE SUCH DIFFERENCE. IF, AFTER CONSULTATION, THE DIFFERENCE CANNOT BE RECONCILED, THEN AT THE REQUEST OF SELLER THE SAMPLE FOR Up MORE ANALYSIS SHALL BE ANALYSED BY AN UMPIRE AGREED BETWEEN BUYER AND SELLER AND THE CERTIFICATE OF ANALYSIS ISSUED BY SUCH UMPIRE SHALL BE FINAL.
- 6) IF NO DETERMINATION OF ANALYSIS OR PHYSICAL SIZE IS EXERCISED AT DISCHARGE PORT, SELLER'S CERTIFICATE SHALL BE CONCLUSIVE AS TO SPECIFICATION OF THE product AND SHALL FORM THE BASIS FOR FINAL INVOICE.

Initials:

Seller

Buyer

7) THE WEIGHING, SAMPLING, CHEMICAL, ANALYSIS, MOISTURE DETERMINATION, AND SCREEN ANALYSIS PERFORMED AT THE DISCHARGE PORT BY the said authority SHALL BE FOR BUYER'S ACCOUNT. THE COST OF THE UMPIRE ANALYSIS SHALL BE FOR THE ACCOUNT OF THE PARTY WHOSE OWN ANALYSIS DIFFERS THE FURTHEST FROM THE UMPIRE ANALYSIS, AND IF THE RESULT OF SUCH UMPIRE ANALYSIS IS THE MEAN OF THE ANALYSIS OF BUYER AND THE ANALYSIS OF SELLER THEN SUCH COST SHALL BE EQUALLY BORNE BY BOTH PARTIES.

APPENDIX 2 TERMS AND DEFINITIONS

ALTERNATE CORPORATE BANK ACCOUNT- Due to the different banking regulations and practices around the world various banking instruments are accepted by some banks and not accepted by others. Depending on the financial instrument finally issued by the buyer to the seller, it may be necessary for the seller to use a bank other than that initially designated to seller to facilitate the transaction.

COST INSURANCE AND FREIGHT (CIF) – The cargo insurance and the delivery of goods to the named port of destination (discharge) is at the seller's expense. Buyer is responsible for the import customs clearance and other costs and risks.

FULLY FUNDED TRANSFERABLE CONFIRMED LETTER OF CREDIT – Letter of credit where a confirming bank, top **50 PRIME** bank, has guaranteed payment under the letter of credit assuming that all terms and conditions of the letter of credit have been met. With a confirmed letter of credit, payment risk is assumed by the confirming bank as well as the issuing bank, thereby providing more protection for the exporter.

REVOLVING LETTER OF CREDIT - THIS IS THE INSTRUMENT AGAINST WHICH THE SELLER IS SUPPLYING AND SHIPPING THE GOODS. THE SAMPLE TEXT OF THE RLC IS CONTAINED IN THE ATTACHED ANNEXURE "C" THE FINAL TEXT AND THE NAME OF THE ESTABLISHING BANK AND IF APPROPRIATE THE NAME OF THE BANK PROVIDING THE AVAL MUSH BE REVIEWED AND AGREED BY THE SELLER.

CONFIRMING BANK- The bank that, at the request of the issuing bank, adds its confirmation to the letter of credit, in doing so, the confirming bank undertakes to make payments to the exporter upon presentation of documents under the letter of credit, assuming all terms and conditions of the LC have been met.

DRAFT CONTRACT – This is the initial contract in which the seller lists all the initial points of understanding and terms and conditions. Any proposed changes that may be desired can be inserted into this document for review by either part. Initialling, signing and sealing the draft contract only denotes that the initial understanding of the terms and conditions and is not considered binding. Once all terms and conditions are agreed to a final sales and purchase contract will be issued.

FINAL SALES AND PURCHASE CONTRACT – This document will be issued upon the buyer and seller's final agreement of the terms and conditions of the draft contract by initialling, signing and sealing this document. Both parties state with full corporate authority, certifies, represent and warrants that each can fulfil the requirements of this agreement and respectively provide the products and the funds referred to herein, in the time and under the terms agreed.

(FIO) – Transport conditions denoting that the freight rate excludes the costs of loading and discharging and, if appropriate, stowage and lashing (International Chamber of Commerce) www.iccwbo.org/index.asp

ICC (INTERNATIoNAL CHAMBER OF COMMERCE)

INCOTERMS 2000 – Incoterms are standard trade definitions most commonly used in international sales and contracts. www.iccwbo.org/incoterms.undrstanding.asp

Initials:

Seller

Buyer

NON-USA SANCTIONED PORTS - Ports and countries that the US Govt has not placed trade restrictions against for US citizens and companies. A list of countries the US Govt has placed trade restrictions on are found on the web site www.treas.gov/offices/cotffe

SOCIETE GENERALE DE SURVEILLANCE (SGS) – INSPECTION SERVICES/ INSPECTS AND VERIFIES THE QUANTITY, WEIGHT AND QUALITY OF TRADED GOODS. INSPECTION TYPICALLY TAKES PLACE AT TRANSSHIPMENT.

VALID FOR - THE LETTER OF CREDIT WILL BE VALID FOR THE TERM LISTED AND WILL MATURE (BE PAYABLE) AT THE END OF THIS TIME PERIOD. IN THE CASE OF THIS THE RLC WILL BE ISSUED FOR TWO (2) YEARS AND THIRTY EIGHT (38) DAYS. THE RLC WILL PROVIDE FOR DRAWINGS TO BE MADE EACH MONTH FOR A FIXED AMOUNT CALCULATED AS 1/12 (ONE TWELFTH) OF THE TOTAL (ONE YEAR) CONTRACT VALUE, WITH THE FIRST DRAWING BEING MADE ONE (1) YEAR AND forty five (45) DAYS AFTER THE DATE OF ISSUE OF THE RLC, AND SUBSEQUENT PAYMENTS BEING MADE MONTHLY

THEREAFTER, IN THE EVEN THAT THE CONTRACT IS FOR TERM LONGER THAN ONE YEAR A SEPARATE RLC MUST BE ISSUED AT THE COMMENCEMENT OF AND PRIOR TO ANY SHIPMENTS TAKING PLACE FOR EACH AND EVERY YEAR OF THE CONTRACT.

“WEATHER WORKING DAY (WWD) OR “WEATHER WORKING DAY OF 24 HOURS” OR “WEATHER WORKING DAY OF 24 CONSECUTIVE HOURS” SHALL MEAN A WORKING DAY OF 24 CONSECUTIVE HOURS EXCEPT FOR ANY TIME WHEN WEATHER PREVENTS THE LOADING OR DICHARGING OF THE VESSEL OR WOULD HAVE PREVENTED IT, HAD WORK BEEN IN PROGRESS.

**this information is
only for your
personal use**

Initials:
Seller

Buyer

**APPENDIX 3
BANKING INFORMATION**

BANKING INFORMATION

Seller full details will be given only with final sales and purchase contract. No contact with the seller's banks will be made without the explicit written permission of the seller. If contact is made without this permission, the contract will be considered null and void.

Seller reserves the right to use one of its alternate corporate bank accounts. In the event an alternate account is to be used, seller will notify buyer of new coordinates within 48 hours of receipt of signed and sealed contract. Seller requires that the buyer notify seller prior to forwarding any financial instrument or correspondence to seller bank.

SELLERS BANKING INFORMATION.

Bank Name:
Bank Address:
City:
Country:
Telephon:
Fax:
Officer:
Account Name :
Account No :
Swift:

aa-group@gmx.ch

germany
+ 49
+49
MR.

this information is

only for your

Note: **Unauthorised bank probes will render this contract null and void. Pre-advice required.**

Buyer complete banking information is required with the return of the signed and sealed contract. If the issuing bank is not a top 50 world bank the payment instrument must be confirmed by a top 50 world bank and the banking details must be included below. If these details are not provided, this contract will become null and void.

BUYERS BANKING DETAIL

Bank Name:
Bank Address

City.
Country:
Telephon:
Fax:
Officer:
Account Name:
Account No:
Swift:

Initials:

Seller

Buyer