

SALES CONTRACT OF SUGAR

CONTRACT NUMBER: XXXXXXXXXXXX

This contract is made and entered into this day **XXXXXXXXXX 2007** by and between:

THE SELLER:

Company :
Address:
City:
Legal Representative:
Phone:
Fax:
Mobil:
E-mail:

AND

THE BUYER:

Company :
Address:
City:
Legal Representative:
Phone:
Fax:
Mobil:
E-mail:

Whereas: The Buyer hereby confirms that they are ready, willing and able to purchase X00,000.00 metric tons (+/- 5%) of **Sugar Icumsa 45** under the terms and conditions mentioned subject to execution of the contract for the purchase of the said commodity upon valuable consideration of the mutual agreement, promises, benefits and terms of this commercial agreement which is hereby acknowledged.

Whereas: The Seller with full corporate authority and responsibility hereby certifies and warrants that it can fulfil the requirements of this agreement and provide the product.

CLAUSE 1: ORIGIN

The source of supply of the Sugar Icumsa 45 is from Brazil, South America.

CLAUSE 2: PRODUCT NAME, QUALITY AND SPECIFICATION

The commodity shall be corresponding as per inspection certificate issued by SGS or compatible World Class Inspection Organization at port of loading confirming that the commodity meets the following terms:

PRODUCT

Brazilian White Refined Cane Sugar (Grade "A"). Minimum polarization 99,8% at 20 degree and fit for human consumption, corresponding completely to Codex Alimentary as per certificates of inspection by an appropriate organisation.

GUARANTEED CHEMICAL & PHYSICAL SPECIFICATION

- Polarisation 99.8%
- Moisture 0.04% Max
- Ash by electrical conductivity 0.04% max
- Sulphur in Dioxide 20 mg/kg Max
- Water insoluble matter 0.012% Max
- Solubility 100% free flowing
- Radiation normal
- Granulation fine to medium
- Latest crop
- Radiation normal w/o presence of Caesium/Iodine certified
- Colour crystal white max. 45 ICUMSA attenuation Index Unit (ICUMSA Method N°. 4-1978)
- Sediment none
- Smell free of any odour
- Reducing sugar 0.05% Maximum by weight
- SO₂ 20mg/kg Maximum
- SUHG solid crystal

ADDITIONAL SPECIFICATIONS

Sugar should be extracted from sound unfermented and uneducated sugar cane -Sugar should be clean free from any foreign taste or odour with sweet taste characteristic of white sugar whether dry or in solution - Sugar to be pure refined deodorized of latest crop production with good taste and smell - the crystals shall be uniform in size and colour - Sugar shall be free from insects, their fragments and metamorphosis or rodents excrement -Sugar shall be free from foreign matters, preservatives or added colours; only permitted material to be added are that stated below - any other specifications which are not mentioned in the specifications are to be according to the international specifications which were fixed by (FAO/WHO/FDA/and EC) and the lowest amount should be considered first.

HEALTH REQUIREMENTS

The product shall be prepared in accordance with general principals and code of practice of food hygiene in addition to any instruction issued by health authorities -heavy metal content for White Sugar should not exceed the following limits (A) Arsenic 1.00 mg/kg for White Sugar (B) Copper 1.00 mg/kg for White Sugar (C) Lead 0.50 mg/kg for White Sugar - Sugar shall be free from any pathogenic micro organisms and their poisons – Sugar should be free from faecal coliform bacteria - pesticide residue shall not exceed the limits set by current national regulations and legislations or FAO, WHO, or FDA, or EU after its accreditation by L.N.C.S.M.

Sugar must be free of any radiation particles, such as Americium 241; Plutonium 238 and 239; Strontium 90 and the quantity of radiating materials from caesium Isotope 134 and must not exceed 30 Becquerel (BCD).

CLAUSE 3: PRODUCT PACKING

To secure the safety of the commodity during sea transportation the Sugar is to be packed in new 50 (fifty) kilogram net double sacks, being one sack of polypropylene and the other of polyethylene. Two percent (2%) spare bags shall be supplied free of charge. The bags shall be transported sea proof in slings of 32 bags per sling. Marking in English language. Draft text will be provide by buyer.

CLAUSE 4: LOADING PERIOD

The loading shall be accomplished in **ONE (1) shipments of XX,000 M/T. (+/-5%)**. The shipment shall be start **within 20-25 days** after receipt of Buyer's Documentary Letter of Credit at the counters of the Seller's Bank. The date of the bill of lading shall be considered the date of delivery.

CLAUSE 5: DELIVERY TERMS & OTHER CONDITIONS RELATING TO DELIVERY

DELIVERY TERMS:

- The date of the Bill of Lading shall be considered the date of delivery.
- Within 72 hours after the vessel's departure from port of loading, the seller shall advise the buyer of the following: Vessel's sailing date, Name of the steamship, Number of the Vessel, Name of the ship's Captain, Tonnage of the Vessel, Flag of the Vessel, Net quantity loaded, Number of hatches on the Vessel, Estimated time of Arrival (ETA) at the port of discharge.
- Ship must be technically fault free and compatible to the port of discharge.
- The minimum discharge rate at the destination port shall be 1.500 MT (One thousand Five Hundred metric ton) per working day (Sunday's and Holidays are excluded). If this discharge rate is not achieved and demurrage is incurred, this is to be charged to the buyer's account.
- Whether in berth or not, whether in port or not, whether in free practice or not, whether customs cleared or not, vessel hatch opening and closing hall be performed under crew responsibility, control and account.
- No demurrage is payable if the vessel is discharged at a rate greater than average.
- The Seller must provide written alert to Buyer within 24 hours after receipt of notice that vessel transporting the goods has experienced damage, peril, loss or accident and this shall not release the Seller of fulfilment of his obligation.
- Terms and conditions of the charter party should comply with the terms and conditions as contained herein. Should any terms or conditions of the Charter Party conflict with this contract, the terms and conditions within this contract shall prevail.
- All supervision charges at port of unloading are for the Buyer's account, any taxes or levies at port of loading are on the Seller's account.

OTHER CONTRACT CONDITIONS:

1. Shipment in vessels classified Lloyds 100-1 A or equivalent.
2. Sellers to nominate vessel min 7 days before ETA for loading.
3. Buyer to nominate ship agent at discharge port before ETA for unloading.

CLAUSE 6: CONTRACTED QUANTITY AND DELIVERY PERIOD

The Contract covers a period of completion of the total contracted quantity of **XX00,000.00 (XXXXXXXXXXThousand) Metric tons (+/-5%)**.

CLAUSE 7: WEIGHT AND QUALITY

The Seller guarantees that each shipment of Sugar Icumsa 45 shall be provided with an inspection certificate of weight and quality at the time of loading. The inspection agency shall provide such certificates, at seller's expenses at port of loading which shall be final and binding on both parties. Societe Generale De Surveillance (SGS) shall inspect the commodity at the port of loading. SGS shall issue an inspection certificate of quality and quantity for each shipment to certify that the goods are in good order and condition and in conformity with the specification herein stated for sugar Icumsa 45.

CLAUSE 8: PRICE AND QUANTITY

The buyer and seller agree to the following price terms:

Price per ton: **USD \$XX0 (XXXXXXXXXX and XXXXXX U.S. Dollar)** per Metric Ton to be delivered **CIF** (as per INCOTERMS 2000) to the PORT of **XXXXXX, XXXXX (XXXXXX)**. Contractual Value: **USD \$XX,000,000 (XXXXXXXX and XXXXX U.S. Dollar)** – Total contractual Quantity is **XX0,000 MT (XXXXXXXX Metric Tons)** of Sugar Icumsa 45 to be delivered in **12 (Twelve) months**.

CLAUSE 9: PAYMENT TERMS

Fully funded, Irrevocable, transferable, confirmed Documentary Letter of Credit for the shipment of **X0,000 MT**, issued or confirmed by an European Prime Bank payable 100% at sight against documents. This auto-revolving Documentary Letter of Credit will be opened before every 2 (two) shipments totalling **X0,000 mt** and USD **\$XX,000,000** and payable for each shipment of **XX,000** Metric ton until total amount of contract value USD **\$XX,000,000** totalling **XX0,000mt** has been finished.

The Letter of Credit documents shall be negotiable and payable at the Seller's bank. The Letter of credit must allow the Seller's bank for adding confirmation by any other prime bank at seller's expense.

All bank charges and commissions at the buyer's bank will be on buyer's account and all bank charges and commissions at Seller's bank will be on Seller's account. Prior to opening of the Letter of credit to Seller's bank, the buyer's bank shall send the text of the wording of the Documentary Letter of Credit for verification by the Seller's bank to avoid unnecessary bank charges for any subsequent amendments.

LETTER OF CREDIT TERMS

- Charter party Bill of Lading and third party documents are acceptable.
- Each Letter of Credit must have a minimum validity of 75 days and shipping documents presented within twenty one (21) days after the date of issuance of the shipping documents (Bill of Lading date) but within the validity of the Letter of Credit are acceptable.
- Quantity and amount of the Letter of Credit plus or minus five percent (5%) allowed.
- Letter of Credit amendment charges will be at requesting party's account. This Documentary Letter of Credit is subject to the uniform customs and practice for Documentary Credits UCP 500 by ICC publication no. 700.

CLAUSE 10: PAYMENT DOCUMENTS

A full set of the following documents will be presented to the buyer's bank for payment in:

- 1) Commercial invoice, 4-fold, confirming that delivery corresponds with all terms and condition of contract no **XXXXXXXXXXXX** dated August 18, 2007.
- 2) Full set clean on board bill of lading to the order of applicant, marked "Freight prepaid" notifying to the buyer. (3 original / 3 copies)
- 3) Certificate of Origin issued by the Chamber of Commerce of country of origin or department of trade or Ministry of Industry and Trade that commodity is of Brazilian origin.
- 4) Phytosanitary Certificate issued by competent authority stating that the product is fit for human consumption. (1 original / 4 copies)
- 5) Radioactive Elements Certificate issued by competent authority is mandatory.
- 6) Certificate issued by the shipping Company or its agent that the vessel is classified Lloyds 100-1 A or equivalent, and that the vessel is max. 20 years old. This certificate may be separate or on B/L itself.
- 7) Inspection Certificate includes: quality, quantity, and packing duly signed and certified by: SGS Inspection Co. in port of loading. (2 original/2 copies).
- 8) Insurance Policy/Certificate for CIF invoice amount plus 10% issued to applicant's order covering all risks.
- 9) Packing list, confirming packing in new double sacks of 50 kg each (showing gross /net weight & BL NO).
- 10) Certificate of Hold and Hatch Cleanliness issued by SGS.
- 11) Copy of fax or cable sent by Seller within three (3) working days from the BL date to the applicant and buyer's bank of the detailed shipping advice showing: Letter of Credit Number, Commodity Name, Total Invoice Value, Vessel Name, Nationality and Flag, BL Number and Date, Quantity of loaded cargo, Name of the Loading Port, Expected Time of Arrival (ETA) at the destination port.

CLAUSE 11: PERFORMANCE BOND GUARANTEE

The Seller agrees to open 2% of Letter of Credit value of XX,000 MT as Performance Bond to buyer's bank.

CLAUSE 12: CONTRACT PROCEDURES

- The Buyer and Seller sign and seal the contract and exchange the hard copies.
- The Buyer's bank sends the Draft DLC Text for Seller's verification.
- Seller confirms the Draft DLC Text.
- The Buyer's bank sends by SWIFT the "non-operative" (= "Pre-Advise") FFDLC within 2-5 working days.
- The Seller's Bank opens and submits a confirmed Performance Bond Guarantee amounting to 2% of the LC value for each shipment to buyer's bank and SWIFTS Proof of Product (POP) to Buyer's Bank.
- The Buyer's "non-operative" (= "Pre-Advise") DLC Payment Guarantee will instantly and automatically become operative from the date of opening of the Seller's Performance Guarantee Bond at Buyer's bank.
- Shipment begins according to contract after buyer's DLC has become operative.

MISCELLANEOUS

Any amendments and supplements to this contract will be valid only if made in writing and duly signed authorized representatives of both parties. All documents must be in English language.

CLAUSE 13: PRODUCT INSURANCE

1. All risk marine insurance policy to be covered by Seller.
2. Shipment effected by vessel of not more than 20 years of age maximum Overage premium of vessel which is older than 20 years old, if any, for Buyers care and seller's account subject to the rate stipulated by an acceptable insurance company.

CLAUSE 14: FORCE MAJEUR

Neither party to this contract shall be held responsible for breach of contract caused by an act of God, Insurrection, civil war, military operations or local emergencies. The Parties do hereby accept the provision of "Force Majeur" as published by the International Chamber of Commerce.

CLAUSE 15: CONTRACT ARBITRATION

The parties will take all measures to settle all disputes or differences which may arise while performing this contract. Disputes that cannot be settled through negotiations shall be referred to arbitration before the Refined Sugar Association (RSA) for settlement in accordance with the rules relating to arbitration. Such arbitration shall be conducted in accordance with English Law. This contract shall be governed by and construed in accordance with English law.

Should the seller fail to deliver the goods as agreed as per schedule in the contract appendix A without any reasonable reason, within the expended period of time, the seller will be liable to pay penalty at the rate of 2% of the non-delivered goods.

Should the buyer fail to issue the payment instrument in favor of the seller within the extended period of time without any reasonable reason, the buyer will be liable to penalty of 2% value of the non-delivered goods.

CLAUSE 16: EXECUTION OF CONTRACT

Each of the parties to this contract represents that it has full legal authority to execute this contract and that each party is to be bound by the terms and conditions contained in the contract. This contract represents the entire agreement between the parties and any change will be made in writing by both the parties.

CLAUSE 17: CONFIDENTIALITY, NON-DISCLOSURE AND NON-CIRCUMVENTION

The undersigned parties hereby accept and agree to the I.C.C provisions of non-circumvention and non-disclosure with regards to all parties involved in this transaction. It is also agreed by the parties that any aspects relating to this transaction will be strictly confidential and copies of this agreement shall not be freely distributed to parties not related to or directly involved in the successful conclusion of this contract. Any breach of this clause shall be determined by the ICC. The aggrieved party shall also be entitled to recover any and all legal costs they may incur, including travel costs to hearings or legal proceedings. This clause shall be in effect for a period not exceeding five (5) years from the date of this contract.

CLAUSE 18: BANKING CO-ORDINATES

Seller's Bank:

Account name:
Bank Name:
Bank address:
City country:
Zip postal code:
Account No.
Swift code:
Bank telephone:
Bank Fax:
Bank officer:

Buyer's Bank:

Account name:
Bank Name:
Bank address:
City country:
Zip postal code:
Account No.
Swift code:
Bank telephone:
Bank Fax:
Bank officer: Mrs.

CLAUSE 19: CONTRACT SIGNATORIES

In witness thereof, the parties have signed below to accept and approve all terms and conditions contained in this contract.

Thus done and signed at Vitoria, August 18, 2007.

THE SELLER:

Company :
Address:
City:
Legal Representative:
Phone:
E-mail:
Mobil:

SELLER'S SIGNATURE AND SEAL

And

THE BUYER:

Company :
Address:
City:
Legal Representative:
Phone:
E-mail:
Mobil:

BUYER'S SIGNATURE AND SEAL

SUGAR SAMPLE DRAFT CONTRACT

APPENDIX

Schedule of Delivery

Month	Year	Quantity
1 YEAR		
January	2007	XX.000 MT (+/- 5 %)
February	2007	XX.000 MT (+/- 5 %)
March	2007	XX.000 MT (+/- 5 %)
April	2007	XX.000 MT (+/- 5 %)
May	2007	XX.000 MT (+/- 5 %)
June	2007	XX.000 MT (+/- 5 %)
July	2007	XX.000 MT (+/- 5 %)
August	2007	XX.000 MT (+/- 5 %)
September	2007	XX.000 MT (+/- 5 %)
October	2007	XX.000 MT (+/- 5 %)
November	2007	XX.000 MT (+/- 5 %)
December	2007	XX.000 MT (+/- 5 %)
Total quantity		X00,000 MT (+/- 5 %)