SALES CONTRACT

DATE : XXX  
CONTRACT NO. XXX

BROKER XXX   
BROKER REF NO. XXX

THIS IS TO CONFIRM THAT THE SELLER HAS AGREED TO SELL AND THE BUYER HAS AGREED TO BUY, IN ACCORDANCE WITH THE TERMS AND CONDITIONS STIPULATED HEREINAFTER:

BUYER : XXX

COMMODITY : PALM FATTY ACID DISTILLATE, IN BULK SPECIFICATION : AS PER PORAM

QUANTITY : XXX METRIC TONS, 2% MORE OR LESS AT SELLER’S OPTION PRICE : USD XXX PER METRIC TON

BASIS : CNF/ CIF - DISCHARGE PORT SHIPMENT PERIOD : XXX

PAYMENT : 100% IRREVOCABLE SIGHT LC WITHOUT DISCREPANCY FROM A FIRST-CLASS BANK ACCEPTABLE TO SELLER, UNRESTRICTED FOR NEGOTIATION IN SINGAPORE WITH TT REIMBURSEMENT ALLOWED (VALUE 5 BUSINESS DAYS). USANCE UP TO 30/90/120/150/180 DAYS IS ALSO ACCEPTABLE, IN WHICH CASE USANCE INTEREST (FROM THE DATE OF NEGOTIATION) AND LC CONFIRMATION TO BE ON BUYER’S ACCOUNT AND SELLER TO BE PAID AT SIGHT BASIS BY CONFIRMING BANK/NEGOTIATING BANK. LC TO BE OPENED AND CLEAN WITHIN 2 BUSINESS DAYS AFTER RECEIVING VESSEL NOMINATION. FOR EACH DAY OF DELAY, SELLER HAS THE OPTION TO EXTEND SHIPMENT PERIOD BY THAT MANY DAYS AND OR RESERVES THE RIGHT TO FORFEIT ANY LATE/DEFERRED SHIPMENT CLAIM FROM THE BUYER.

* IN CASE OF SIGHT LC, ALL BANK CHARGES INCLUDING LETTER OF CREDIT CONFIRMATION AND AMENDMENT CHARGES ARE ON BENEFICIARY ACCOUNT.
* IN CASE OF USANCE LC, LETTER OF CREDIT INTEREST CHARGES, DEFERRED PAYMENT CHARGES, CONFIRMATION CHARGES, ACCEPTANCE COMMISSION AND COMMISSION IN-LIEU WILL BE ON BUYER’S ACCOUNT.
* DOCUMENTS PRESENTED 21 DAYS AFTER THE SHIPMENT IS ALLOWED.
* LC MUST BE OPENED WITHIN CONTRACTUAL SHIPMENT PERIOD.
* IF ANY CLAIMS INCURRED TO BE SETTLED VIA DEBIT NOTE. ORIGIN : INDONESIA / MALAYSIA AT SELLER’S OPTION

INSURANCE : TO BE COVERED AT THE COST OF THE BUYER

WEIGHT / QUALITY : SHIPPED WEIGHT / SHIPPED QUALITY FINAL AT LOAD PORT

DISCHARGE & DEMURRAGE RATE

1. BUYER TO GUARANTEE MINIMUM DISCHARGE RATE OF 80 MT PER HOUR.
2. LAYTIME TO COMMENCE 6 HOURS AFTER NOTICE OF READINESS (NOR) TENDERED WIBON WIFPON WICCON WIPON OR IMMEDIATELY UPON BERTHING, WHICHEVER IS EARLIER. LAYTIME TO CEASE UPON DISCONNECTION OF ALL HOSE.
3. NOR SHALL BE TENDERED ONLY AFTER THE VESSEL HAS CALLED WITHIN THE LIMITS OF THE CONTRACTED PORT.
4. DEMURRAGE INCURRED AT DISCHARGING SHALL BE BASED ON THE TOTAL TONNAGE DISCHARGED IRRESPECTIVE OF THE NUMBER OF SHIPPERS AND GOODS TYPE. DEMURRAGE, IF ANY, INCURRED AT CONTRACTED PORT WILL BE ENTIRELY TO BUYER’S ACCOUNT AND AS PER DEMURRAGE RATE PER DAY ON A PRORATA BASIS DECLARED AS PER VESSEL NOMINATION PROVIDED THAT IT SHALL NOT APPLY UNTIL THE TOTAL NUMBER OF HOURS ALLOWED FOR THE ENTIRE CARGO TO BE DISCHARGED HAVE LAPSED. DEMURRAGE, IF ANY, TO BE SETTLED BY BUYER WITHIN 30 DAYS FROM AGREEMENT OF DEMURRAGE AMOUNT BETWEEN SELLER AND BUYER, FALLING WHICH, THE SELLER IS ENTITLED TO CHARGE SUCH INTEREST FOR THE DURATION OF THE DELAY AT A RATE TO BE DETERMINED IN THE ABSOLUTE DISCRETION OF THE SELLER AS MAY BE COMPLIANT WITH ANY APPLICABLE LAW BUT WITHOUT PREJUDICE TO ANY OTHER RIGHTS/REMEDIES THE SELLER MAY HAVE AGAINST THE BUYER.
5. SELLER DOES NOT GUARANTEE THE SAILING SPEED OF THE PERFORMING VESSEL AND ANY ARRIVAL DATE/PERIOD OF CARGO AT THE DISCHARGE PORT. HOWEVER, THE SELLER SHALL ENSURE THAT SHIPMENT SHOULD BE MADE WITH MINIMUM DEVIATION EN-ROUTE TO THE DISCHARGE PORT.
6. BUYER UNDERTAKES THAT SHOULD CARGO ARRIVE IN DAMAGED CONDITION, THEY WILL DISCHARGE THE CARGO AND OBTAIN SECURITY AGAINST THE VESSEL WITHOUT DELAY.

LETTER OF INDEMNITY (LOI) & LETTER OF UNDERTAKING (LOU)

IN THE ABSENCE OF ORIGINAL BILL OF LADING AT DISCHARGE PORT, THE BUYER UNDERTAKES TO ISSUE BANKER'S LOI AND TANK FARM LOU IN FAVOUR OF THE SELLER. THE BANKER’S LOI TO BE ISSUED AS PER SHIP-OWNER’S P&I CLUB APPROVED FORMAT. HOWEVER, THE BANK MAY ISSUE THE LOI WITH ADDITIONAL / MODIFIED CLAUSE BEYOND THE CONTROL OF THE BUYER. IF BANKER’S LOI IS NOT IN FAVOUR OF THE SELLER, BUYER WOULD NEED TO PROVIDE CORPORATE LOI. THE BANKER’S LOI AND TANK FARM LOU MUST BE READILY AVAILABLE NO LATER THAN 2 BUSINESS DAYS BEFORE THE ESTIMATED TIME OF ARRIVAL OF THE VESSEL AT THE DISCHARGE PORT. FAILING WHICH, BUYER WILL BE HELD RESPONSIBLE FOR ANY LOST TIME/DEMURRAGE OR OTHER COSTS RESULTED BY THE DELAY IN CUSTOMS CLEARANCE AND/OR DISCHARGING OF THE CARGOES. THE BANKER'S LOI AND TANK FARM LOU TO BE DEEMED NULL AND VOID ONCE THE OBL IS SURRENDERED. DISCHARGE AGAINST LOI WILL BE PERMITTED ONLY AT SELLER'S SOLE DISCRETION AND SELLER RESERVES RIGHT TO ALLOW RELEASE OF DELIVERY ORDER UPON RECEIPT OF FULL PAYMENT.

SANCTIONS CLAUSE

BUYER AND SELLER HEREBY REPRESENT AND WARRANT TO THE OTHER PARTY THAT IT, ITS AFFILIATES, ITS AGENTS, ITS CONTRACTORS AND ANY PERSON OR ENTITY THAT OWNS OR CONTROLS THE ENTITY IS NOT A SANCTIONED PARTY.

BUYER REPRESENTS AND WARRANTS THAT THE BUYER ITSELF WILL FULLY COMPLY WITH THE APPLICABLE SANCTIONS LAWS. THE GOODS TRANSACTED IN THIS AGREEMENT WILL NOT BE RESOLD OR DELIVERED TO A SANCTIONED PERSON OR ENTITY.

SELLER ALSO REPRESENTS AND WARRANTS THAT THE SELLER ITSELF WILL FULLY COMPLY WITH THE APPLICABLE SANCTIONS LAWS. THE GOODS IS NOT AND WILL NOT BE SOURCED FROM ANY SANCTIONED PERSON OR ENTITY.

SPECIAL CONDITIONS

1. ALL IMPORT DUTIES/TAXES/LICENCES/LEVIES AND OTHER EXPENSES AT DISCHARGE PORT(S) SHALL BE AT BUYER’S ACCOUNT.
2. BUYER TO ENSURE THAT ALL CUSTOMS/IMPORT FORMALITIES ARE IN GOOD ORDER PRIOR TO VESSEL ARRIVING AT DISCHARGE PORT.
3. COMMINGLING WITH THE SAME GRADE OF OIL IS ALLOWED.
4. BUYER TO ENSURE SAFE BERTH AND SAFE PORT.
5. TANKER/THIRD PARTY BILLS OF LADING AND THIRD PARTY DOCUMENTS EXCEPT INVOICE AND DRAFT ARE ACCEPTABLE. EXPORTER/SHIPPER NAME ON DOCUMENTS DIFFERS FROM BENEFICIARY IS ACCEPTABLE.
6. BUYER IS NOT ALLOWED TO ASSIGN THIS SALES CONTRACT TO ANY THIRD PARTY WITHOUT PRIOR WRITTEN CONSENT FROM SELLER.
7. TITLE OF THE CARGO REMAINS WITH SELLERS AND SHALL NOT PASS TO THE BUYER UNTIL FULL INVOICE IS PAID AND RECEIVED BY THE SELLER.
8. THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED OF THE MERCHANTABILITY, FITNESS OR OTHERWISE EXCEPT THAT THE CARGO SHALL MEET THE SPECIFICATIONS AS SET FORTH IN THIS SALES CONTRACT.
9. SELLER AND BUYER RESERVE THE RIGHT TO EXERCISE FORCE MAJEUR BY REASON OF WAR, FLOOD, FIRE, STORM, HEAVY SNOW OR ANY OTHER CAUSES BEYOND THEIR CONTROL.
10. ALL OTHER TERMS AS PER FOSFA NO. 81 CURRENTLY IN FORCE INCLUDING EXTENSION OF SHIPMENT AND ARBITRATION CLAUSE TO GOVERN. ANY DISPUTES SHALL BE RESOLVED BY ARBITRATION IN SINGAPORE IN ENGLISH LANGUAGE IN ACCORDANCE WITH THE ARBITRATION RULES OF SINGAPORE INTERNATIONAL ARBITRATION CENTRE IN FORCE AT THE DATE OF CONTRACT.
11. SELLER WILL NOT PROVIDE BIS CERTIFICATE.
12. ANY DEVIATION IN CONTRACT TERMS TO BE MUTUALLY AGREED WITHIN 3 BUSINESS DAYS UPON RECEIPT OF THIS CONTRACT.
13. BUYER TO RETURN SELLER A COPY OF COUNTERSIGNED SALES CONTRACT WITHIN 3 BUSINESS DAYS. FOR EACH DAY OF DELAY, SELLER HAS THE OPTION TO EXTEND THE SHIPMENT PERIOD BY AS MANY DAYS.

PLEASE CONFIRM THAT THIS SALES CONTRACT CORRECTLY SETS FORTH THE TERMS OF THE AGREEMENT BY RETURNING AN EXECUTED COPY BY EMAIL XXX - WITHIN 3 BUSINESS DAYS FROM RECEIPT, FAILING WHICH, SELLER HAS THE OPTION TO CANCEL THE TRADE. IF YOU DO NOTIFY SELLER OF ADDITIONAL OR DIFFERENT TERMS, THOSE TERMS SHALL BE CONSTRUED ONLY AS PROPOSALS FOR AMENDMENTS AND SHALL NOT BECOME PART OF THIS SALES CONTRACT UNLESS EXPRESSLY AGREED TO BY SELLER IN A SUPPLEMENTAL WRITTEN CONFIRMATION.

WE THANK YOU FOR THE SUPPORT OF THIS BUSINESS.

FOR BUYER

FOR SELLER