

**DRAFT**

## **PURCHASE AND SALES CONTRACT**

**Contract No.** \_\_\_\_\_ (Please refers to this number in all correspondence)

**Date:** \_\_/\_\_/2020

**THE SELLERS:**

**THE BUYERS:**

This sales contract is made and entered into this \_\_ day of \_\_\_\_\_ by and between the Sellers and Buyers

WHEREBY the Sellers agree to sell and the Buyers agree to buy the under-mentioned products according to terms and conditions as stipulated below:

### **ARTICLE 1. PRODUCT:**

**COMMODITY:**

### **ARTICLE 2. DESCRIPTION OF PRODUCT:**

**2.1 QUANTITY:**

**2.2 PACKING:**

**2.3 ORIGIN:**

**2.4 PORT OF LOADING -**

**2.5 SPECIFICATIONS :**

### **ARTICLE 3. INSPECTION,**

To be conducted at the port of loading before shipment by S.G.S. or an internationally accepted independent surveillance and inspection organization to be mutually acceptable by both the Buyers and the Sellers and to be solely at Seller's Account as to the quality, quantity, and weight to be in full conformance with specifications on the Contract.

**OPTIONAL:** Buyer's representative is so chooses can make an on-site verification visit after giving the Bank Letter of Comfort and be present during S.G.S. inspection and/or loading. Additional inspection at the port of loading shall be solely at the Buyer's account.

**ARTICLE 4. DELIVERY:** \_\_\_\_\_ (Incoterms 2010)

**ARTICLE 5. SHIPPING:**

**5.1 DISCHARGE RATE** - \_\_\_\_\_ MT per weather working day of 24 consecutive hours (WWD) at Main \_\_\_\_\_ Port, Sunday and Holidays, even if used are excluded (SAT SHEX EIU).

**5.2 DISCHARGE TERMS** - Seller shall inform the Buyer after chartering the name of the vessel, flag, type of vessel, and estimated time of arrival draft at discharging port. Seller shall provide a relevant Charter party on the Buyer's request. The ship owners or the master shall provide 7 and 3 and 1-day notice prior to the estimated time of arrival at discharging port to the agent of the Buyer.

Notification of the vessel's readiness (NOR) at discharge Port shall be delivered to the office of the buyer or buyer's vessel's agent during normal office hours between 0800 hours and 1600 hours Monday to Friday and between 0800 and 1200 hours on Saturday, Sundays and Holidays excluded, whether the vessel has been customs declared or not (WICCON) whether the vessel has been granted free pratique or not (WIFPON), whether vessel in port or not (WIPON), whether vessel in berth or not (WIBON). Lay time is to commence the next working day after NOR is given. At vessel's option, NOR may be tendered in writing by cable, telex or facsimile, if the vessel is at anchorage awaiting for the berth.

Waiting time (inside or outside commercial port limits) for bert to count as discharging time, whether the vessel has been customs cleared or not (WICCON), whether the vessel has been granted free pratique or not (WIFPON), whether the vessel is in port or not (WIPON), whether vessel in berth or not (WIBON).

All-time and expenses used in vessel shifting from one anchorage or bert or place of cargo operations to another not to count as lay time, even if such vessel shifting ordered by the port authority.

**5.3 DEMURRAGE** - Once the vessel is on demurrage, demurrage shall run continuously. Buyer agrees to pay demurrage to Seller if incurred at the Discharging Port at a rate as Chartering Party, but maximum US\$ \_\_\_\_\_ per day based on a 24 consecutive hours day per each day pro-rata for part of a day, for all time used, in excess of allowed lay time. Demurrage shall be paid to Seller by Buyer within 30 days of presentation of lay time Settlement and Debit Note. If the discharge is prevented by bad weather conditions, such as typhoons, etc. lay time shall not be counted, unless the vessel is on demurrage.

**5.4 SWEEPING AND/OR PURGING** - to be at Sellers account. The time used shall not be counted as lay time.

**5.5 DRAFT AT DISCHARGING PORT** - Buyer guarantees an arrival draft of 11.5 to 12.0 meters at Port of Discharge.

**5.6 PARTIAL SHIPMENT** -

**5.7 TRANSSHIPMENT** - Not allowed

**5.8 INSURANCE** -

**5.9 VESSEL'S AGE** - Vessel's age shall not exceed the maximum of 20 years old.

**5.10 IMPORT/EXPORT LICENSE** - At the destination, all import licenses 1 taxes/levies/duties, etc. present or future, shall be Buyer's sole responsibilities. At Loading port, all export licenses 1 taxes/levies/duties, etc. present or future, shall be Seller's sole responsibilities.

**ARTICLE 6. PRICE:**

## **ARTICLE 7. PAYMENT:**

The buyer agrees to issue an irrevocable, transferable, divisible, assignable, and confirmed Documentary Letter of Credit by a top Prime Bank in favor of the Seller. Valid for 30 days after the BIL date and payable 100% at sight upon presentation of documents to the counter of the negotiating bank. The L/C must specify the aforesaid Contract Number.

## **ARTICLE 8. DOCUMENTS:**

Buyers Letter of Credit shall become payable at the counters of the negotiating bank upon presentation of the following documents:

**8.1 Signed Commercial Invoice** in triplicate indicating Contract Number, shipping Mark, and L/C number

**8.2 Full set of Clean On-Board Ocean Bill of Lading** made out to order and blank endorsed, 1/3 clearly marked "Freight Prepaid"

**8.3 Certificate of Quality and Weight** in triplicate issued by **S.G.S.** or the equivalent, made out to order and blank endorsed.

**8.4 Certificate of Origin and Quantity** in triplicate issued by the Seller and made out to order and blank endorsed.

**8.5 Phytosanitary Certificate** issued by Health Authority, made out to order and blank endorsed.

**8.6 Certificate of Fumigation** by the authority, made out to order and blank endorsed

**8.7 Insurance Policy or Certificate** endorsed in blank, insured for 110% of the invoice covering all risks.

**8.9 Shipment Advice** regarding the total quantity, weight, value, and the name of the vessel, flag of the vessel, contract number, name of the goods, ETD and ETA, LIC number, within 3 days after the date of shipment.

**8.10** One complete set of non-negotiable shipping documents, sent to the L/C applicant within 7 working days from the On-Board Ocean BIL date.

## **ARTICLE 9. FORCE MAJEURE:**

Neither party to the contract shall be held liable for breach of contract caused by act of God, insurrection or civil strifes, military operations, or local emergencies. Both parties hereto accept the International provisions of Force Majeure and hardships as published by the International Chamber of Commerce.

**ARTICLE 10.- PERFORMANCE GUARANTEE:** \_\_\_% will be posted after receipt of Pre Advice L/C from Buyers Bank.

## **ARTICLE 11. ARBITRATION:**

Both parties hereto shall attempt to amicably settle any disagreement or dispute which may arise between them, in the case said dispute cannot be settled amicably, then it shall be submitted to arbitration in London U.K. or Paris, France at the choice by the defaulted party subject to international arbitration laws governed by the International Chamber of Commerce in Geneva, Switzerland, or Paris, France. All costs of arbitration shall be borne by the defaulting party. The official language of the arbitration shall be English.

**ARTICLE 12. AUTHORITY TO EXECUTE THIS AGREEMENT.**

Each Party hereof represents that it has full authority to execute this Agreement and that each party is bound by the terms and conditions thereof.

**ARTICLE 13. EXECUTION OF AGREEMENT:**

This Agreement may be executed simultaneously in two counterparts to be transmitted via mail or facsimile, each of which shall be deemed as an original.

**ARTICLE 14.- THE UNDERSIGNED PARTIES ACCEPT / AGREE:**

To the provisions of the International Chamber of Commerce non-circumvention and non-disclosure agreement. (ICC Publication No. 500) concerning all parties involved in this transaction, additions, extensions, renewals, third party assignments with full reciprocity for (5) years from the date of execution of this Agreement.

**IN WITNESS WHEREOF**, both parties hereby affix their signatures below on the date and year first above appeared.

**SELLERS:**

\_\_\_\_\_

**BUYERS:**

\_\_\_\_\_

**SELLER'S & BUYER'S BANKING INFORMATION**

BANK'S NAME, BANK'S ADDRESS, TELEPHONE NUMBER, FAX NUMBER, SWIFT CODE, TELEX, BANK OFFICER, ACCOUNT NAME, ACCOUNT NUMBER, NAME OF TWO OFFICERS, DIRECT TELEPHONE NUMBERS.