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BRAZILIAN SEMI-REFINED COTTON OIL

F.O.B. CONTRACT FOR PARCELS

Effective January 1st, 2011. – In force at time and place of shipment.

N.º

SELLER:.....	1
BUYER:.....	2
BROKER:.....	3
1.GOODS: Brazilian Semi-Refined Cottonseed Oil.	4
2.QUANTITY:.....(.....) metric tons of 1,000 kilograms each, exact quantity. Shipment per one or more vessels.	5 6
3.QUALITY/CONDITION: Good merchantable quality, solvent extracted, produced from sound cottonseed.	7
-Free fatty acids (expressed as oleic; molecular weight 282), basis maximum 0.25 percent (AOCS Ca 5a-40)	8
-Moisture and impurities, maximum 0.25 percent (AOCS Ca 2c-25 / AOCS Ca 3a-46)	9
-Colour maximum 35 yellow, maximum 12 red on a 5 ¼ inch Lovibond scale (AOCS Cc 13b-45)	10
-Oil with a flashpoint below 250 degrees Fahrenheit (121 degrees C) is rejectable. (AOCS Cc 9c-95)	11
Brazilian Semi-Refined Cottonseed Oil sold for export shall be pure Cottonseed oil. Quality and condition to be final at time and place of shipment as per certificate/s issued by an Independent Surveyor, cost being for Seller's account. Other quality/condition in accordance with Brazilian Legislation ruling at time and place of shipment.	12 13 14
Buyer has the option, at his expense, to request for joint sampling and sealing, advising the Seller in due time the name of the Independent Surveyor he is appointing.	15 16
If the difference of the free Fatty Acids between Buyer's and Seller's certificates does not exceed 0.05%, then the Seller's results will be final.	17 18
Otherwise, at request of either party at his expenses, within 30 days from the B/L date, a third test shall be carried out by a mutually agreed Independent Laboratory. The average of the two closest analysis results shall be final under this contract, and must be settled against presentation of a debit note.	19 20 21
3.1 Buyer agrees that samples will be drawn from ship's tank/s only if the oil shipped under this contract is not commingled in the ship's tank/s with oil loaded by other Sellers. Otherwise, Buyer shall accept quality certificate on samples drawn at time of vessel's loading at a point nearest to vessel's tanks.	22 23 24
4.PACKING: In bulk	25
5. DELIVERY: Between.....both dates included.	26
6.CONTRACT PRICE:	27
6.1.US\$.....(.....) per metric ton of 1,000 kilograms each, delivered free on board, pumped in.	28 29
6.2 Basis Chicago Board of Trade price for the month of20..... at par/plus/less US\$ cents..... (.....), per pound. The US\$ cents per pound value multiplied by 22.0462 is the US\$ price per metric ton of 1,000 kilograms each, delivered free on board, pumped in.	30 31 32 33
Criteria for Price Fixing	34
A) At Seller's option, price will be fixed during the session of the Chicago Board of Trade. Seller to advise the Buyer, in writing, until latest 30 minutes before the opening, the required price and respective quantity, and the order will be considered automatically executed if the respective month trades at least US\$0.0005 per pound above the given order. This, however, not to include the opening and closing ranges where, as per the rules of the Chicago Board of Trade, brokers are not responsible for execution. If Chicago futures do not trade during that session at US\$ 0.0005 per pound over the limit stipulated by Seller, no price fixing has taken place for that day, unless Buyer advises within 2 hours after the close that part or total of the pricing order given has been priced, and in that case Seller to accept quantity given by Buyer. Seller has the right to change pricing instructions during the session, provided Buyer has not already executed the original instructions by the time the new order reaches the floor. For orders given or changed during the session of the Chicago Board of Trade, however, Buyer not to be responsible for execution. Seller to fix the price latest 5 business days prior shipment, but not later than 2 business days prior to the first notice day of the month serving as basis for the pricing of this contract. For any balance unpriced within above deadline, the "settlement price" of the close on the said second business day shall automatically be accepted to price this contract.	35 36 37 38 39 40 41 42 43 44 45 46 47

B) Futures in exchange, with Buyer/Seller to give up a number of future contracts closest to the contracted quantity, to Seller / Buyer latest 5 business days prior shipment or latest 2 business days prior to the first notice day of Chicago Board of Trade basis month whichever earlier. The give up party to confirm number of futures and values soonest. Such give up to be within the daily trading range. If on the fifth day prior to commencement of loading or on the second day prior to the first notice day of Chicago Board of Trade basis month Buyer/Seller has failed to give up all or part of the required future contracts, Seller/Buyer shall have the right to buy/sell the outstanding amount of future contracts at the market on the first business day following above deadline.	48 49 50 51 52 53 54
C) If the contracted quantity has a tolerance and the contractual Chicago Board of Trade month is already on its delivery period (between the First Notice Day and Last Trading Day) then the final settlement of such over/under fill must be based on the next Chicago Board of Trade month, at par/plus/less the original FOB premium corrected by the Chicago Board of Trade spread established basis the settlement price 2 business days prior first notice day of the contractual Chicago Board of Trade month.	55 56 57 58
7.PORT/S OF SHIPMENT..... Sale performed basis one safe berth in each port at Seller's option.	59 60
8. NOMINATION OF VESSEL: Buyer to give nomination of vessel to Seller, together with vessel's ETA, flag, age and ownership, in writing, in time for Seller to receive with minimum 15 clear days notice of earliest readiness of tonnage at loading port. If clause 9.1 is opted, detention rate must also be declared, otherwise despatch / demurrage rates are to be shown if clause 9.2 is alternatively chosen. Seller has the right to reject nomination of a vessel whenever any of the above information is not mentioned. Such rejection to be effected without delay. Loading obligation will be on the 16th day, at 08:00 hours, after nomination date, even if loading commences earlier. With minimum of 10 days prior estimated arrival of vessel at loading port, Buyer to give pertinent documentary instructions and vessel's destination. Buyer to keep Seller informed of any delay in expected date of vessel's load readiness. Nomination of vessel is irrevocable unless Buyer can prove "force majeure" or Seller agrees to the substitution or all the following conditions are fulfilled:	61 62 63 64 65 66 67 68 69
a. The ETA of the substituting vessel must be 5 days earlier up to 5 days later than the last reported ETA of the substituted vessel. For substitution purposes, the valid ETA is the last one informed in writing by the Buyer to the Seller.	70 71
b. If condition stated in item "a" above is fulfilled, then obligation date will remain the same of the original nomination. However if earlier than last reported ETA, substitution must reach shipper of the goods latest 3 business days prior to the new vessel's ETA. For laytime purposes, time used to customs clean documents not to count as laytime.	72 73 74
c. In case of short shipped quantity, the obligation date will be in the 5 th business day after substitution is received by Seller.	75
d. Maximum 2 substitutions are allowed under this contract, however a third substitution is allowed only in case of short shipped quantity.	76 77
e. If condition stated in above items are not fulfilled, the substitution will be considered as a new nomination and subsequently a new obligation date should be established.	78 79
f. In case of a third substitution, Seller has the right to reject same or consider it as a new nomination with new obligation date.	80 81
9. WEIGHT: To be final at time and place of shipment per certificate/s issued by Independent Surveyor, based on figures ascertained by measurement of shore tanks, where available, cost being for Seller's account. Buyer has the option, at his expense, and for his own guidance, to request for joint weight control, advising the Seller in due time the name of the Independent Surveyor he is appointing. For all effects and purposes results of the Seller's Independent Surveyor will be final. Any figure, other than the shore tanks, where available, will not be acceptable.	82 83 84 85 86
10.GENERAL LOADING CONDITIONS: Captain and crew to collaborate in all quay movements necessary to accommodate shore loading equipment in the respective tanks/spaces. Buyer to give nomination of vessel in accordance to loading port rules in force at time and place of shipment.	87 88 89
Cargo to be loaded:	90
10.1 The lesser of: as fast as vessel can receive, or as fast as berth equipment can load. No time to count, however, if vessel gave Notice of Readiness in time and if not sufficient goods available to start loading on the 16th day as from 08:00 hours after vessel's nomination or when free berth becomes available, whichever later or if continuous loading of vessel has to be interrupted due to lack of cargo, Seller to pay detention as per the rate declared under Nomination Clause. All extra berthing expenses due to cargo not being loadready to be for Seller's account.	91 92 93 94 95
10.2. At the following average rate which is to apply on the total cargo:	96
A) Seller undertakes to pump the oil into the vessel at a rate of minimum 80 metric tons (to be applied on this parcel) per running hour, always provided the vessel is in conditions to receive at this rate, otherwise demurrage as per Charter Party for his account, no despatch.	97 98 99
B) Time to count per running hour. Saturday afternoons, Sundays, and Federal and/or State and/or Municipal holidays excepted, unless used. On Mondays and on days after a holiday, time to start/restart counting at 08:00 hours (unless used). Seller shall not be responsible for any time lost due to act of God, strike, lockout, riots, civil commotion, labour stoppages at the port/s of loading or elsewhere preventing the forwarding of the goods to such port/s, breakdown of machinery and/or winches, power failure, fire or any other cause of "force majeure".	100 101 102 103 104
C) Notice of Readiness at loading port to be given until 17:00 hours during ordinary office hours or until 11:00 hours on Saturdays. Laytime to start counting whether in port or not, whether in berth or not, 6 hours after Notice of Readiness has been tendered.	105 106

Vessel must be ready in all respects to receive cargo.	107
If upon or after berthing vessel's tanks are found unsuitable by surveyors, any time lost due to cleaning not to count as laytime.	108
Vessel/Buyer will present only one Notice of Readiness upon arrival at port, which is deemed to serve as sufficient load-notice to all shippers loading on that vessel. Choice of berth sequence will be vessel's/buyer's option, unless otherwise ordered by Port authorities.	109 110
At second port of loading, if used, laytime to start counting at 08:00 hours on the next working day after vessel's arrival, whether in port or not, whether in berth or not.	111 112
If loading berth is free and available, vessel is considered "arrived" when berthed fast alongside.	113
When port is congested and/or berth unavailable, "arrival" is understood to be the moment the vessel drops anchor at the bar or normal anchorage. Shifting from roads to berth not to count as laytime.	114 115
Whenever the vessel nominated is loaded by more than one seller per berth and/or more than one bulk commodity per berth and/or from more than one berth per port, the time attributed to each individual berth shall be prorated among all the Sellers/commodities loading at that berth.	116 117 118
At second and/or further berths time shall count from docking or the next regular working period (from the time the vessel was for all intents and purposes ready to start loading at that berth), whichever earlier. Time shall finish upon completion of total loaded at any berth.	119 120 121
Should however one or more shippers not have the goods ready for loading at the berth, then prorated counting of laytime to stop from the moment all goods are loaded by supplier/s who had goods ready, and time to count separately for the remaining parcel/s.	122
Alternatively, if the vessel is not allowed to berth because one or more shippers do not have goods ready for loading, same shipper/s shall be first to load, and time for his/their account, up to the moment he/they have loaded all his/their goods, after which time to count prorated amongst shippers who had their goods ready for loading.	123 124 125 126
D) Time used in navigation between ports of loading, i.e. berth to berth, shall not count insofar as laytime computation goes.	127
11. EXTENSION/CARRYING CHARGES: In the event of any or all the goods not being on board the vessel by the last day of the period of delivery:	128 129
11.1 Buyer to claim extension of maximum 30 days, to pay carrying charges at the rate of US\$ 0.75 per metric ton per day for the first 15 days and US\$ 1.25 per metric ton per day for the following days. If Buyer has claimed extension but failed to tender suitable tonnage within the extension period, Seller shall declare Buyer in default, and in such case Buyer to pay Seller amount equal to carrying charges due for total extension period. However, Seller to fulfill delivery, even after extension limit, provided Buyer presents Notice of Readiness for suitable tonnage at loading port within the extension period. Carrying charges are to be calculated and paid up to shipment date even if loading is completed after the extension period. Carrying charges as provided above are construed in the nature of liquidated damages and, as such, that no further proof of damages shall be required to substantiation thereof. The foregoing rate includes storage, interest and insurance costs.	130 131 132 133 134 135 136 137
Carrying charges during strike periods of 24 hours per day or pro-rata:	138
A) Vessels that arrived/tendered Notice of Readiness during the contractual period and entered into extension: the strike period during the extension period to be discounted from the number of days due as carrying charges, berthed or not.	139 140
B) Vessels that arrived/tendered Notice of Readiness during the extension period: carrying charges are due from the first day of the extension period up to the date that the strike commences, and will again become due from the date that work is resumed, berthed or not.	141 142 143
C) Vessels that arrived during the extension period and the port is already on strike: carrying charges are due up to the date Notice of Readiness is tendered, and will again become due from the date that work is resumed, berthed or not.	144 145
11.2 Buyer Buyer to claim extension of maximum 30 days, to pay carrying charges at the rate of US\$ 0.75 per metric ton per day for the first 15 days and US\$ 1.25 per metric ton per day for the following days. If Buyer has claimed extension but failed to tender suitable tonnage within the extension period, Seller shall declare Buyer in default, and in such case Buyer to pay Seller amount equal to carrying charges due for total extension period. However, Seller to fulfill delivery, even after extension limit, provided Buyer presents Notice of Readiness for suitable tonnage at loading port within the extension period. Carrying charges are to be calculated and paid up to shipment date even if loading is completed after the extension period. Carrying charges as provided above are construed in the nature of liquidated damages and, as such, that no further proof of damages shall be required to substantiation thereof. The foregoing rate includes storage, interest and insurance costs.	146 147 148 149 150 151 152 153
A) If nominated vessel arrives/tenders a valid Notice of Readiness by 17:00 hours of the last day of shipment, carrying charges are not due, even if goods loaded after shipment period. Otherwise carrying charges will be due until shipment date.	154 155
A.1) If nominated vessel arrives/tenders a valid Notice of Readiness by 17:00 hours of the last day of the shipment period, but Seller's obligation to load starts on the extension period, carrying charges will be due until shipment date	156 157
B) Carrying charges during strike periods of 24 hours per day or pro-rata are not due.	158
C) Substituting vessels: If substituting vessels were not originally programmed to the berth under this contract on Notice of Readiness date, carrying charges will be due until shipment date, unless new berth scheduled within shipment period.	159 160
D) In case nominated goods are loadready and vessel is called to berth by Port Administration but for any reason beyond Seller's control, vessel does not berth, carrying charges shall be due in total even if vessel tendered Notice of Readiness within shipment period.	161 162 163
E) For any short shipped quantity, if loaded within extension period, Buyer to pay normal carrying charges to Seller until the Bill of Lading date.	164 165

12.PAYMENT.....	166
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On presentation of following documents:	169
A)"Clean on Board" Bill/s of Lading, 3 originals and 2 non-negotiable copies.	170
B)Original and 2 copies of Certificate of Origin, Certificate of Weight, Certificate of Quality and Certificate of Cleanliness of vessel's tanks.	171 172
C)Original and 2 copies of Commercial Invoice including carrying charges and interests, as the case may be.	173
12.1 In case Bills of Lading of each berth at each port are not at shipper's disposal within maximum of 2 business days after Bill of Lading date due to reasons beyond Seller's control, Buyer to pay Seller interest of 4% over the New York Banks prime rate ruling at date of Bill of Lading on the invoice value. After 4 business days of vessel's loading completion in such berth, Seller has the option to present "clean on board" Mate's Receipt in compliance with item A. Seller will, however, endorse Bill of Lading upon presentation. Interest to be computed as from the next regular business day after Bill of Lading date up to the date (but not including same) the Bill of Lading / Mate's Receipt is remitted to the Seller or his representative.	174 175 176 177 178 179
12.2 Debit notes must be settled as per clause 12.3. The ones relating to detention and/or demurrage and/or despatch must be settled within 30 days as of date of presentation.	180 181
12.3 Payment must be effected within 2 business days at latest. Time to count from the next business day at the domicile agreed for presentation of documents, excluding only Municipal, State or Federal holidays at agreed domicile. In the event payment is effected with delay, Buyer to pay Seller interest of 4% over the New York Banks prime rate ruling at the date payment should have been effected, without prejudice to Seller's right in case of non-payment. In case of presentation of original documents through a bank, time for payment to start counting as of receipt by Buyer of bank's notice and of <i>bona fide</i> copies of such originals.	182 183 184 185 186
13. NOTICES: Brazilian official time will be the one governing all notices made under this contract. Any notices, excluding the ones relating to Notice of Readiness which are governed by item 10.2 –C, received after 16:00 hours on a Brazilian business day shall be deemed to have been received on the following business day. A notice from the broker shall be a valid notice under this contract.	187 188 189
14. INSURANCE: Marine and War Risks Insurance to be covered by Buyer for his account, as per FOSFA 54. Upon request, buyer to confirm to Seller prior loading starts that same has been effected. In such case, if cover notice is not received by Seller at time of loading, Seller has the right to cover insurance for Buyer's account and expense. Seller is to be considered as co-assured by Buyer's insurance.	190 191 192 193
15.TAXES/FEES: Brazilian taxes on freight and/or cargo for Seller's account and risk, Buyer is responsible for vessel's usual port expenses. Vessel's port utilization fees to be paid for in accordance with Port Administration rules and regulations.	194 195
Buyer to be responsible for any increase of export taxes (including value added tax) and any new taxes (which may come in force) on any cargo lifted after the contractual period of delivery, which includes any extension period provided properly claimed.	196 197
16. ARBITRATION CLAUSE :	198
A) To be as per Federation of Oils, Seeds and Fats Associations Ltd. - FOSFA Rules which Buyer and Seller hereby expressly accept and admit full notice and knowledge. Or,	199 200
B) To be in accordance with Brazilian Law no. 9307/96 and through "Associação Brasileira de Arbitragem – ABAR, Chamber of Arbitration in São Paulo, Brazil". Execution of arbitration awards shall be handled through the Central Forum of the City of São Paulo, if necessary. Buyer and Seller formally declare their full notice and knowledge to the terms herein stated.	201 202 203
17. FLAG WAIVER : Shipments that involve countries of origin and destination with a bilateral transport agreement for which flag waiver must be obtained, Buyer to be responsible for the obtention of such waiver from competent authority in country of origin.	204 205
18.OTHER CONDITIONS: All other terms and conditions not in contradiction with the above to be as per contract no. 53 of the Federation of Oils, Seeds and Fats Associations Ltd. - FOSFA of which the parties admit that they have knowledge and notice. Details given herein shall be taken as having been written into such contract-form in the appropriate place. Any special terms and conditions applying hereto shall be treated as if written on such contract-form.	206 207 208 209
This contract shall be conclusively presumed to have been entered on.....20.....	210
SELLER.....	211
BUYER.....	212
BROKER.....	213