



14/05/2020

ALOA Universal Trading – SUGAR Icumsa 45 PROCEDURE

To facilitate the execution of the deal, you will find below our Sugar Seller's procedures. We draw your attention on the fact that this procedure is applicable only for delivery in vessel and not for delivery in containers.

1) Compliance of the end buyer

Before any negotiation, the end buyer should provide all the following information, necessary for ALOA's compliance:

- 1.1 Excel file "Buyer Compliance Sheet" to be filled in
- 1.2 Passport Copies to be provided of all the Company's shareholders and of all the persons involved in the commercial transactions with ALOA Universal Trading
- 1.3 Copy of the Company's registration certificate to be provided

2) Different steps of the standard flow

After check of the end buyer compliance, the following steps should be respected, the deadlines as well between the steps (in any).

- 2.1 The Buyer sends a LOI to ALOA Universal Trading.
- 2.2 The End Seller sends a FCO (Full Corporate Offer) to the Buyer. In return, the Buyer signs and sends an ICPO (Irrevocable Corporate Purchase Order).
- 2.3 Within 5 (five) banking days following the sending of the ICPO, the Buyer shall send to the Seller:
 - The bank verbiage of the financial instrument, and
 - A RWA Proof of Funds via a banking SWIFT with the total amount of the ICPO – total amount of the ICPO if SPOT contract or amount of one month delivery if ANNUAL contract.
- 2.4 When both Parties agree on the terms of the Contract as well as on the identification and verbiage of the financial instrument, the Seller will issue the signed and sealed FINAL CONTRACT. Electronic signatures may be considered valid in this transaction, but for legal purposes, each party will be committed to send the original signed version of the contract by DHL or similar within 8 (eight) banking days following the reception of the signed and sealed Contract.
- 2.5 Feasibility of financial operation with pre-identified respective Buyer's / Seller's bank is



14/05/2020

secured and the Contract is lodged with the latter 3 (three) banking days after step 4.

- 2.6 Within three (3) business days after step 4, the Seller sends signed and sealed **proforma invoice** for the value of the Contract.
- 2.7 No later than 5 (five) banking days after step 6, the Buyer's bank sends pre-advice (MT799) in relation to the draft payment instrument (LC or SBLC or BG) to the Seller's bank.
- 2.8 The Seller's bank confirms the pre-advice (MT799) with full bank responsibility. The payment instrument must be issued by a Top « AA » rating bank Top 25/50 (twenty-five/fifty) or being confirmed by such a bank or any acceptable bank for the Seller.
- 2.9 Eight (8) international banking days after step 8, the Buyer's bank issues the agreed upon payment instrument for the value of the contract, which should be valid for the duration of the Contract.
- 2.10 The Seller's approved bank confirms the opening of the financial instrument.
- 2.11 Within eight (8) days after step above 8, the Seller will send a POP certificate, as well as the Certificate of Origin issued by the Brazilian Government Organ – FACIAP, and issue a performance bond of 2% (not applicable in the case of a SPOT contract).
- 2.12 Within MAXIMUM forty (40) days after step above 8, loading and inspection will be started.

The Seller guarantees on his account that each/the shipment will be provided with inspection of weight and quantity and quality at the time of loading, certificates shall be provided by SGS or similar authority at the seller's expense and shall be binding for both parties. The Seller instructs such authority to carry out the inspections under strict rules and in accordance with the specifications in the contract and/or the International Chamber of Commerce rules (incoterms 2010 latest edition, with all amendments).
- 2.13 Once the loading is finalised, the Seller addresses all documents required for payment to the Buyer and the Buyer's Bank. Each/the shipment is payable 100% (hundred percent) at sight at loading port by « MT103 » against presentation of the shipping documents to the Buyer's bank.
- 2.14 Payment to the bank account of the Seller for the shipment will be made within 2 (two) business days after presentation of 1 (one) copy of the agreed documents (see below):
 - The seller's commercial invoice
 - Packinglist
 - Certificate of quality
 - Certificate of quantity
 - Certificate of origin
 - Phytosanitary certificate
 - Full set of « FREIGHT PREPAID» and « CLEAN ON BOARD » marine bill of lading, certificate of weight, quantity and quality.
 - Marine insurance policy covering minimum of 110% face value of the goods in the name of buyer



14/05/2020

2.15 The vessel leaves the port only once the Seller's bank confirms the full execution of the payment.

3) Useful Documents

Besides this procedure, you will find attached the following documents:

- Buyer Compliance Sheet
- Example of an LOI
- Example of an ICPO

