

**GENERAL TERMS AND CONDITIONS NO. R2-AR ( UPDATED ON AUG 08.2012)**

Purchase of Argentine Rice on CFR one south Iranian port(s) stowed trimmed including dunnage and mats basis by Government Trading Corporation of Iran, No.12 Jihad square, Tehran, Islamic Republic of Iran, Telephone Nos.88957471-76, and fax Nos 88305333, 88970322 hereinafter called the buyer, will be based on general terms and conditions as follows:

**1-Commodity/Specifications**

Long grain white milled rice of Argentine production of current crop with the following specifications:

Moisture:	Max 13.50 pct
Paddy:	Max 5 kernels per kg
Foreign matters:	Max 0.10 pct
Yellow kernels:	Max 0.20 pct
Broken kernels:	Max 10 pct (3/4 grains or bigger ones are considered as whole grains) Length of broken kernels: Less than 5.00 mm
Small (chicken) brokens:	Max 0.10 pct Small brokens are broken kernels which are smaller than 0.25 Length of whole grains and pass through sieve No. 7
Whole grains:	Min 70.00 pct
White belly kernels:	Max 4.00 pct White belly kernels from 4 pct up to Max 6 pct would be acceptable provided that against each 1 pct increase in white belly kernels (in excess of 4 pct) the contract price decreases by half pct (fraction in proportion). Those kernels of rice which have more than 50 pct whiteness in inside or outside of the kernels shall be called white belly kernels.
Undeveloped kernels:	Max 0.05 pct
Other seeds:	Max 5.00 units per kg
Red kernels:	Max 0.05 pct
Damaged kernels:	Max 0.25 pct
Under milled kernels:	Max 1.00 pct Under milled kernels are those kernels of rice that have a bran stria slightly brown bigger than 50 pct of their length.

**2- Packing:**

Cargo to be packed in 50 kg net polypropylene bags. Variation up to max 150 grams per bag is permitted. Global average net weight of rice should be min 50 kgs per bag. Weight of each empty polypropylene bag to be minimum 130 grams. The bags should be new, strong, and suitable for export.

### **3- Marking**

Bags to be marked on one side with the mark of the seller or shipper and the phrase "Long Grain White Rice 10 pct broken product of Argentina, crop year; and expiry date (which should be two years after packing date), on the other side with the buyer's logo, the letters "G.T.C.", the weight of 50 kgs and the name of the buyer in Persian language.

### **specimen**

**4- Origin:** Argentina

**5- loading ports:** Any Argentine ports.

### **6- Vessel Specifications:**

Registration of vessel: Lloyds 100A1 or equivalent

Vessel(s) must be chartered wholly and exclusively for this cargo.

The vessel to be less than 20 years old (not applicable for Iranian flag vessels ) and must have necessary maritime or navigation documents/certificates valid during the voyage.

The vessel's equipment should be in good condition capable of effecting loading, delivery and discharging operations.

Vessel's hatches should be watertight.

### **Note:**

At least 5 days prior to loading the buyer should be notified of the Name and specifications of the vessel.

### **7- Shipping / Discharging Terms:**

The Seller/Carrier shall advise the buyer of vessel's ETA 10 days, 5 days and 48 hours prior to arrival at discharge port.

The whole cargo should be loaded in main holds

No material is to be loaded in hatch coamings

Transshipment not allowed.

The Buyer has the option to lighten the vessel(s) at anchorage due to draft restrictions of the declared discharge port(s).

Written notice of readiness (N.O.R.) at discharge port should be given in ordinary office hours on a working day (Saturday to Wednesday:07:30 to 14:00 hours and Thursday: 07:30 to 13:00 hours ), always whether in port or not/ whether in free pratique or not/ whether custom cleared or not/whether in berth or not. If N.O.R. is received before noon (12:00 hours included), then lay time is to commence at 17:00 hours of the same day. If N.O.R. is received afternoon, then lay time is to commence at 08.00 hours of the following working day provided that the vessel is properly ready for discharging.

**Discharging rate:** 2.000 metric tons per weather working day.

Discharging to be carried out on the basis of minimum 4 (four) workable hatches / hooks. If any technical problem on the hatches / holds / cranes occurs, lay time should count pro rata, until the problem is solved. A hatch that is capable of being worked by two gangs simultaneously shall be counted as two hatches.

Lay days to be calculated on gross weight basis per weather working day of 24 consecutive hours. Thursday afternoon, Friday and official holidays are excluded, even if used.

Thursday afternoon and Friday are defined to start at 12:00 hours on Thursday and to finish at 08:00 hours Saturday.

Official holidays start at 17:00 hours of the day before holiday and finish at 08:00 hours of the day after holiday.

In case the buyer is not in possession of the bill(s) of lading upon arrival of the vessel at destination for any reason including the seller's failure in timely presentation of the shipping documents, the seller agrees that the buyer shall take delivery of the entire cargo against submission of a suitable letter of indemnity (LOI) by the buyer, based on owner's P&I club wording, absolving owners from any responsibility for delivery of the cargo without presentation of bill(s) of lading. Text of the said LOI must be presented to the buyer 10 days prior to vessel's

arrival at destination and the buyer ensures to submit the completed, signed and stamped text 5 days after the receipt. The charter party(ies) of relevant vessel(s) must have a proper clause incorporated to this effect.

#### **8- Demurrage / Despatch:**

Cargo tonnage (net)      Demurrage

Up to 14250 metric ton      Euro 10000

14250 – 19000 metric ton      Euro 12500

19000 –metric ton and more Euro 15000

Fraction of a day to be calculated on pro rata basis.

**Despatch rate:** Half demurrage on working time saved basis.

Demurrage/dispatch at discharging port to be settled between the seller and the buyer directly within 30 days after completion of discharging.

#### **9-Inspection:**

Inspection of quality and quantity and packing condition of the goods to be carried out at loading point and at loading time and the relevant certificate(s) including Test Report (T.R.) is to be issued by an inspection company nominated by the buyer . Furthermore, the buyer shall have the right to send its representative(s) to the loading port(s) to survey the quality and quantity of the goods and to counter-sign the inspection certificate(s). In this case the seller must provide facilities for the said representative(s) to visit and inspect all phases i.e. production, storage, transportation, and loading. In case the advising bank is not in receipt of the specimen signature of the representative(s) in time, the signature(s) to be verified by embassy of the Islamic Republic of Iran in Argentina.

Inspection fees are to be paid by the seller.

#### **10-Fumigation:**

Holds of vessel should be fumigated before loading and also after completion of loading.

Fumigation charges and time lost are on seller's account. The above time consists of fumigation operation plus exposure time.

Using Aluminum Phosphide as fumigant is preferable.

#### **11- Performance Guarantee:**

Seller will have to submit within seven working days after conclusion of the purchase contract an unconditional performance bond guarantee (P.B.G.) equal to five pct of total value of the contract, to be issued by an Iranian commercial bank The said P.B.G to remain valid until three months after completion of shipment (to be advised to issuing bank by the buyer) and be extensible for an additional period of three months, if required by the buyer.

#### **12- Payment:**

After receipt of the U.P.B.G., "G.T.C." will open an unconfirmed, irrevocable, nontransferable L/C, in EUROS, in seller's favour to cover the value of the contract, payable against presentation of the following shipping documents:

1. Commercial invoice (mentioning also the freight rate ) issued by the seller and the original to be certified or legalized or visaed by chamber of commerce in beneficiary's country /country of origin /country of loading.
2. Certificate of origin issued by chamber of commerce in beneficiary's country / country of origin /country of loading
3. Certificate of inspection (C.O.I.) of quality , quantity and packing condition issued under inspection provisions of this text The original should be legalized or certified or visaed by chamber of commerce in country of origin or chamber of commerce in beneficiary's country.  
4 - 1) Test report (T.R) should be issued by the inspection company at the seller's account, the said certificate is to be enclosed with certificate of inspection (C.O.I.).  
4 - 2) In case the buyer nominates any representative, certificate of inspection should be countersigned by one of the representatives.

- 4 - 3) In case an Iranian inspection company is nominated, legalization or certification of the inspection certificate(s) by the chamber of commerce will not be required.
5. Full set of clean on board bill(s) of lading marked "Freight Prepaid". The said B(s)/L should be signed by master of the vessel or his authorized representative in Argentina.
  6. Phytosanitary certificate evidencing that the rice is substantially free from trogoderma granarium and other injurious pests and diseases obtained from an official governmental authority in Argentina.
  7. health certificate, issued by competent official authority in argentina certifying that:
    - the rice is fit for human consumption.
    - aflatoxin (b1) is not exceeding 5 ppb
    - aflatoxins (total including b1)are not exceeding 30 ppb
    - ochratoxin (a) is not exceeding 5 ppb
    - deoxynivalenol is not exceeding 1000 ppb
    - zearalenone is not exceeding 200 ppb
    - cadmium is not exceeding 0.06 ppm
    - lead is not exdeeding 0.150 ppm
    - arsenic is not exceeding 0.150 ppm
    - iprodone carbendazim is not exceeding 1 mg/kg
    - diazinon is not exceeding 0.2 mg/kg
    - fipronil is not exceeding 0.01 mg/kg
    - edifenphos is not exceeding 0.1 mg/kg
    - oxadiazon is not exceeding 0.02 mg/kg
    - benomyl is not exceeding 2 mg/kg
    - propicanazole is not exceeding 0.05 mg/kg
    - fenethion is not exceeding 0.05 mg/kg
    - carbaryl is not exceeding 1 mg/kg
    - cartap is not exceeding 0.1 mg/kg
    - maximum permissible limit of bacillus cereous count is 1x10<sup>3</sup> cfn/g
    - maximum permissible limit of mold count is 1x10<sup>4</sup> cfn/g
    - toxic remains of pesticides should not exceed codex international limits
    - original is to be certified or legalized or visaed by embassy or consulate of the Islamic republic of Iran.
    - The seller should inform the buyer the name of the authority that will issue the Health Certificate within a few days after the conclusion of contract for verification and to be inserted in the L/C.
  8. Certificate of analysis and non GMO, certifying that the rice is
    - GMO free
    - free from infestation
    - free from phenolic compound and pesticide residue
 The certificate should be issued by an official governmental authority and to be certified or legalized or visaed by chamber of commerce in the country of origin/ beneficiary's country.
  9. Certificate of fumigation, certifying that the goods have been fumigated by recirculation system after completion of loading, is to be issued by the inspection company or its authorized agent in Argentina.
  10. Photo copy of an international air courier indicating that the non- negotiable copies of the shipping documents have been received by them for prompt delivery to the buyer.
  11. Packing list.

**Note:**

1- all the required documents to be prepared in one original and three copies except b/l which should be in three originals and three non-negotiable copies and photocopy of receipt of an international air courier which should be in one copy.

2- Phytosanitary certificate should be issued in one original and one duplicate with original signature of which duplicate should be presented to the negotiating bank along with other documents and the original should be sent to GTC by an international air courier and received by gtc 10 days before arrival of vessel at discharging port. Otherwise seller is responsible for all costs related to delay of discharging operation.

3- L/C number and the name of Government Trading Corporation of Iran as notify party should appear on all documents.

**13- Insurance:**

Cargo insurance to be arranged by the buyer and on its own account.

Underwriter's name to be mentioned on all documents.

**14- Force Majeure:**

Force majeure is defined by the buyer as follows:

War

Strike

Act of God beyond the control of human being.

**15- Dispute Settlements:**

Disputes will be solved amicably; otherwise, must be finally and exclusively settled in Iranian courts and in accordance with the Iranian law and regulations.

**16- Other Terms:**

1- Charter party bill of lading is acceptable. However, in case of any conflict/contradiction between the purchase contract and bill of lading and/or charter party, the contract shall govern the case.

2- Presentation of third party documents except seller's commercial invoice, for negotiation, is acceptable.

3- The seller must inform the buyer of the needed amendments (if any) within Max two working days after receipt of the L/C for the buyer's consideration.

4- The seller shall not pay any commission to any person or company

5- Partial shipment and Partial negotiation of documents are not allowed.

6- All banking expenses/charges outside Iran will be at seller's account.

7- This text No. R2-Ar is an integral part of the contract. In case of any contradiction between content of this text and the contract, the content of the contract shall prevail.

The seller should submit the original texts of correspondence to the buyer within seven days.

FOR AND ON BEHALF OF GTC