

CONTRACT NO.

BETWEEN

SELLER : MESSRS. ROMAK S.A., 110/112, RUE DES EAUX-VIVES, 1207 GENEVE, SWITZERLAND, HEREAFTER REFERRED TO AS "THE SELLER"

AND

BUYER : FOREIGN TRADE COMPANY "UZDON", 36, LAKHUTY STR., TASHKENT, REPUBLIC OF UZBEKISTAN, HEREAFTER REFERRED TO AS "THE BUYER"

TASHKENT, 1996

THE SELLER HAS SOLD AND THE BUYER HAS BOUGHT:

1. QUANTITY:

1.1. UPTO 50,000 (FIFTYTHOUSAND) METRICTONS AT SELLER'S OPTION.

2. COMMODITY/ORIGIN/QUALITY SPECIFICATIONS:

2.1. KAZAK ORIGIN MILLING WHEAT 3RD CLASS WITH FOLLOWING SPECIFICATION OR BETTER

- MINIMUM 71 KILOS/HECTOLITER TESTWEIGHT
- MAXIMUM 14.5 PERCENT MOISTURE
- MINIMUM 23 PERCENT GLUTEN
- MAXIMUM 5 PERCENT OTHER GRAINS
- MAXIMUM 3 PERCENT FOREIGN MATTER
- OTHERWISE AS PER GOST 9353-90.

2.2. CONDITION SOUND, MERCHANTABLE, FIT FOR HUMAN CONSUMPTION, SUITABLE FOR MILLING, FREE FROM LIVE INFESTATION, FOREIGN COLOURS, QUARANTINE AND SANITARY OBJECTS, POISENOUS/HARMFUL SUBSTANCES, PESTICIDE RESIDUES, HEAVY METALS, MYCOTOXINS AND RADIOACTIVE FALLOUT EXCEEDING THE PERMISSABLE TOLERANCES.

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3. QUALITATIVE/QUANTITATIVE RECEPTION:

3.1. QUALITY/CONDITION FINAL AT LOADING INTO RAILCARS AS PER CERTIFICATE(S) ISSUED BY STATE GRAIN INSPECTION OF THE REPUBLIC OF KAZAKSTAN AND/OR SGS AND/OR OTHER FIRST CLASS INDEPENDENT SUPERVISE COMPANY.

3.2. DETERMINATION OF WEIGHTS IS MADE AT LOADING INTO THE RAILCARS AS PER RAILWAY BILLS AND/OR CERTIFICATE OF SGS AND/OR FIRST CLASS INDEPENDENT SUPERVISE COMPANY.

3.3. IN CASE OF DISCREPANCIES IN QUALITY/WEIGHTS BEYOND THE ACCEPTABLE LIMITS THE SETTLEMENT IS TO BE DONE AS FOLLOWS:

- A) WITHIN 3 (THREE) DAYS FROM ARRIVAL OF GRAIN AT STATION OF DESTINATION THE RECEIVER TO ADVISE THE SELLER OR "TRADEINVEST", ALMATY, AND THE LOADING STATION IN WRITING (BY TELEX, TELEFAX OR CABLE) OF THE SITUATION INVITING HIS REPRESENTATIVE AND/OR REPRESENTATIVE(S) OF GHU/RAILWAY AUTHORITY AT LOADING FOR JOINT VERIFICATION AT DESTINATION.
- B) AN OFFICIAL PROTOCOL OF RESULTS OF JOINT CONTROL OF QUALITY AND/OR WEIGHTS AT STATION OF DESTINATION IS TO BE ESTABLISHED AND DULY SIGNED AND SEALED BY THE REPRESENTATIVES OF THE PARTIES.
- C) WITHIN 30 DAYS FROM ARRIVAL OF GRAIN AT STATION OF DESTINATION THE BUYER TO SUBMIT HIS WRITTEN CLAIM TO THE SELLER WITH ATTACHED PROTOCOL PER ABOVE (ITEM B).
- D) THE AVERAGE QUALITY OF THE TOTAL QUANTITY DELIVERED BY THE SELLER TO THE RESPECTIVE STATION OF DESTINATION IS CONSIDERED WHEN ASSESSING THE VALIDITY OF A QUALITY CLAIM.

4. SHIPMENT/DELIVERY:

- 4.1. DELIVERY PERIOD IS TILL DECEMBER 31ST 1996.
- 4.2. EARLIER COMPLETION OF SHIPMENTS IS ALLOWED.

5. PRICE:

5.1. USD 235.-- (TWOHUNDREDTHIRTYFIVE) PER METRICTON C.I.P. (CARRIAGE AND INSURANCE PAID TO) KAZAK-UZBEK BORDER STATION CHENGELDY. THIS PRICE IS BASED ON RAILWAY RATES IN FORCE DURING JUNE 1996. IN CASE OF ANY INCREASE IN RW RATES THE UNIT PRICE TO BE INCREASED ACCORDINGLY WITHIN THE EXISTING VALUE OF THE BANK GUARANTEE(S)/ LETTER OF CREDIT(S).

6. PAYMENT:

6.1. THE BUYER IS OPENING LATEST ON OCTOBER 10TH 1996 A LETTER OF GUARANTEE IN ACCORDANCE WITH ADDENDUM NO.1 TO THIS CONTRACT OR AN EQUIVALENT LETTER OF CREDIT OF NATIONAL BANK FOR FOREIGN ECONOMIC AFFAIRS OF UZBEKISTAN ACCEPTABLE TO BOTH NBFEA AND THE SELLER'S BANK

7. DOCUMENTS:

7.1. RAILWAY WAGGONS WILL BE ACCOMPANIED BY THE USUAL DOCUMENTS. FURTHERMORE THE SELLER WILL PRESENT TO THE BUYER THE FOLLOWING DOCUMENTS UPON COMPLETION OF SHIPMENTS:

1. DUPLICATES OF RAILWAY BILLS
2. DUPLICATE(S) OF CERTIFICATE(S) ISSUED BY KAZAK STATE GRAIN INSPECTION (GHI) AND/OR SGS AND/OR OTHER FIRST CLASS ENDENT SUPERVISE COMPANY
3. DUPLICATE(S) OF CERTIFICATE(S) OF ORIGIN
4. DUPLICATE(S) OF QUARANTINE/PHYTOSANITARY CERTIFICATE(S)

8. TRANSPORT TERMS:

8.1. THE BUYER MUST ORGANIZE ALL REQUIRED INFORMATION FROM RECEIVING STATION(S) AND/OR SUPERIOR RAILWAY AUTHORITY AND/OR NOTIFICATION FROM ANY OTHER AUTHORITIES - IF REQUIRED - TO THE LOADING STATION(S) (COPIES OF SAME TO BE FAXED TO TRADEINVEST, ALMATY) WITHIN 3 (THREE) WORKING DAYS FROM DECLARATION OF LOADING STATION(S) BY THE SELLER OR HIS AGENT TRADEINVEST, ALMATY.

9. OTHER TERMS:

- 9.1. THE SELLER MUST PROVIDE THE BUYER WITH SHIPPING INFORMATION AS SOON AS AVAILABLE FROM LOADING STATIONS.
- 9.2. EXCEPT FOR THE INVOICE THE DOCUMENTS MUST NOT MENTION THE UNIT PRICE.
- 9.3. THE RAILWAY BILL MUST SHOW: GAZHK "UZBEKISTON TEMIR JELLARI" FOR FINAL RECEIVER GAK "UZKHLEBOPRODUCT" STATION OF DESTINATION "SHUMILOVA", STATION CODE 725409. CODE OF FINAL RECEIVER 0004".

10. RESPONSIBILITIES OF THE PARTIES:

10.1. IN CASE OF LATE MONTHLY SHIPMENT DUE TO CIRCUMSTANCES BEYOND THE SELLER'S CONTROL THE DELIVERY IS EXECUTED DURING THE FOLLOWING MONTH

10.2. IN CASE OF IMPROPER EXECUTION OF OBLIGATIONS BY EITHER PARTY UNDER THE PRESENT CONTRACT (DELAYED OPENING OF PAYMENTS INSTRUMENT, LATE DELIVERY OF THE GOODS) A PENALTY OF 0.2% IS DUE FOR EACH DAY OF DELAY.

10.3. INTERPRETATION OF TRADING TERMS AS PER "INCOTERMS"

11. ARBITRATION:

11.1. THE PARTIES WILL ENDEAVOUR TO SETTLE ANY DISPUTES IN A FRIENDLY WAY. BUT IN CASE IT SHOULD BE IMPOSSIBLE TO REACH A MUTUALLY ACCEPTABLE SOLUTION OF ANY SUCH DISPUTES THE CASE TO BE SUBMITTED FOR ARBITRATION TO G.A.F.T.A., LONDON. FOR FINAL AND BINDING ARBITRATION AS PER RULES OF GAFTA NO. 125.

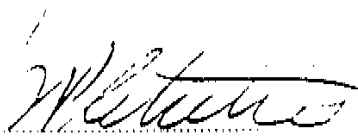
11.2. THE PRESENT CONTRACT IS ISSUED IN RUSSIAN AND ENGLISH VERSION BOTH HAVING EQUAL LEGAL VALUE. EACH LANGUAGE VERSION IS ISSUED IN TWO ORIGINALS, ONE FOR THE SELLER AND ONE FOR THE BUYER.


THE PRESENT CONTRACT IS IN FORCE FROM THE MOMENT OF ITS SIGNING BY THE BOTH PARTIES AND IS VALID UNTIL COMPLETE EXECUTION OF THEIR OBLIGATIONS BY BOTH PARTIES.

SIGNED BY:

THE SELLER
ROMAK S.A., GENEVA
110/112 RUE DES EAUX-VIVES
CH-1207 GENEVA
TELEX: 413 547 ROM CH

THE BUYER
FTC "UZDON", TASHKENT
36. LOKHUTY STR.
FAX: 56-62-48
PHONE: 36-34-42
C/ACCN 000381367 WITH
RCAKB "GALLA-BANK"
HARD CURRENCY ACC.
NO. 87080207/001
NATIONAL BANK OF RU


DAN PLETSCHER
GENERAL DIRECTOR OF
FCMAK


UZDON
ДИРМАШ
YIYAR M. KADYROV
GENERAL DIRECTOR OF
"UZDON"