

DATE: 16.09.2010

CONTRACT No: 2010/049

BVO Ref: 028

*This contract will only enter into force when the Seller fulfils the performance bond requirement as stipulated under special terms.
The Seller has 5 working days after signing this contract to present the required performance bond; a failure to do so will be regarded as a default and Buyer can take appropriate actions against such non performance.*

Seller: NASFAM

Physical Address: NASFAM House, City Centre

Postal Address: P.O Box 30716, Lilongwe 3

Tel: +265 (0) 1 772 866

Fax: +265 (0) 1 770 858

Email: jvarela@nasfam.org

Represented herein by Broker who is duly authorised to act on behalf of the seller as instructed by a contract of Agency.

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Name of Broker: Mr. Joshua Varela

Representing member: NASFAM

Buyer: World Food Programme (WFP)

Physical Address: Kangombe House ,City Centre, Lilongwe

Postal Address: City Centre, P.O. Box 30571, Lilongwe

Tel: +265 (0)1 774 666 (ext: 2426)

Fax: +265 (0)1 775 904

Email: chikondi.dzoole@wfp.org

Represented herein by Broker who is duly authorised to act on behalf of the buyer as instructed by a contract of Agency.

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Name of Broker: Kristian Schach Moller

Representing member: Agricultural Commodity Exchange for Africa

3. Products sold

Description: White maize

Quality: See special terms and conditions below

Total Volume: 504 MT

Packaging: 50kg bags (See special terms and conditions below)

4. Collection

Collection Period: 25th October to 5th November

Incoterm: DDU

Delivery Location: Lilongwe

Specific address if any: WFP Warehouse

5. Payment

a. Price at MWK 35000.00 per metric tonne.

b. Payment terms: Cash in Malawi Kwacha by telegraphic transfer, against presentation of the usual shipping payment documents to the Buyer

- Invoice;
- Original copy of the contract signed by the Contractor and the Buyer;
- Copy of the food purchase contract signed by seller and the Contractor;
- WFP Waybill: Consolidated delivery receipt, issued, stamped and signed "clean" by the transport company, specifying product, number of parcels loaded, markings, gross and net weights;
- Weight, quality, packing certificates issued by Buyer's superintendents;
- Take-over certificate (TOC) issued by the Buyer;
- Fumigation certificate, when required, issued by first class inspection/fumigation company.

The supplier is required to send to ACE Kanengo Lilongwe, the above documents including, the original documents for verification and approval. The supplier can forward all documents to:

Ace, Kanengo Light Industrial Area, P O box 40139, Kanengo, Lilongwe

Attention: Mr. Daniel Chilima

6. Special terms and conditions

6.1 Performance bond:

5% performance bond must be presented 5 working days from signing this contract.

6.2 Quality/Specifications:

GMO FREE White Maize, Sound, fair and merchantable, free from abnormal smell and live pests, of a colour proper to this cereal and the following specifications:

Maximum moisture	:	12.5 %
Broken grains	:	3.0%
Shrivelled	:	1.0%
Weeviled grain	:	1.0 %
Grain of other colour	:	2.0 %
Extraneous matter and trash	:	max 1 %
Rotten/moulded	:	max 1 %
Germinated grain	:	0.00 %
Maximum Aflatoxin	:	3 ug/kg or 3 ppb
Contaminants	:	None
Live Insects	:	Free

THE MAIZE MUST BE ABSOLUTELY FREE FROM INSECT INFESTATION

6.3 Packing

Bags should meet the following specifications. New polypropylene woven bags of a net content of 50kg each fit for export and multiple handling. The bag must have a heat cut mouth to prevent fibrillation and have a sewn single folded bottom. Bag specifications: Size 62 x 95cm, fabric 105gsm. Construction of fabric must be a minimum of 10 x 10/square inch. Sellers to provide exact specifications and sizes of the bags. Sellers to provide 2% empty bags to be shipped together with the cargo.

6.4 Markings

Bag Markings will be provided by the buyer

6.5 Surveyors:

Weight/quality/packing final at loading and/or delivery point as per certificates issued by a first class superintendence company appointed and paid for by WFP. Packing bags will be of uniform weight, and will be serviceable.

Superintendents to:

- *Have free access to the cargo at the time and place of production and/or loading and delivery;*
- *Reject any lot showing discrepancies with any contract terms including those i.r.o. quality, packing and marking. Such lot to be replaced immediately at seller's time and expense. The Seller will inform WFP if unable to replace it.*
- *Approve cargo before transportation to final destination, no cargo to be moved to final destination in absence of this approval.*
- *Inspect that packing (bags) are made with new strong materials. Packing of poor quality will be rejected by the superintendents and will be replaced at Seller's expense. Superintendents to inspect bag markings as per WFP's instructions.*

7. General

- I. *The parties hereby acknowledge themselves to be familiar with and to be bound by the defaults terms and conditions if applicable as stipulated in: **ACE CONTRACT NO: 1** and generally by the Regulations of ACE.*
- II. *Neither party shall cede or assign any rights or obligations in terms hereof without the written authority of the other party.*
- III. *Any broker not possessing actual authority in terms hereof shall be deemed to have contracted on his own behalf.*
- IV. *ACE will charge an exchange trading commission of 0.05% on all BVO. The commission will be deducted from the contract value before disbursing the funds if ACE is handling the settlement. If an alternative payment method has been selected ACE will invoice 0.025% to each broker*
- V. *In the event of a dispute arising under this agreement, whether as to the interpretation or the extent of any purported breach, such dispute shall be submitted to arbitration for determination in terms of Regulation 38 of the Regulations of the Exchange. Any determination consequent upon such arbitration shall be valid and binding upon all the parties thereto.*

THUS DONE AND SIGNED

FOR THE SELLER:

NAME: Mr. Joshua Varela

SIGNATURE:

Date:

FOR THE BUYER:

NAME: Kristian Schach Moller

SIGNATURE:

Date:
