



Agromate (M) Sdn. Bhd. (Co. No. 49545-K)

TERMS AND CONDITIONS FOR SUPPLY OF FERTILIZERS

FEBRUARY 2021

AGROMATE (M) SDN. BHD. (Co. No. 49545-K)

FERTILIZER SUPPLY – TERMS AND CONDITIONS

The offer to sell as per our attached letter is made under the following terms and conditions which are as follows: -

1. Validity

The offer is valid for a period not exceeding 7 calendar days from date of offer in writing. The validity of the offer may be extended by mutual consent between the parties.

2. Award Quantity

i) The offer is based on the quantity specified accordingly (i.e. for Buyers estimated total requirements, or by regions/states or by individual estates). Supplier will hold the prices valid for these quantities. In the event Buyers final requirements is substantially different (i.e. more than +5%) from Buyers estimated requirements at the point of confirming Buyer's purchase, the Supplier reserves the right to decline.

ii) In the instance where the supply contract is for a period of 1 year and the Buyer intends to vary its final requirements then the Buyer must give 3 months prior notice to the Supplier before the expiry of the supply contract.

iii) In the instance where the supply contract is for a period of 6 months and the Buyer intends to vary its final requirements then the Buyer must give 2 months prior notice to the Supplier before the expiry of the supply contract.

3. Delivery Instructions (LPOs)

Once the quantity for supply is determined and agreed upon as per Clause (2) above, the Supplier shall take measures to ensure that the fertilizers required will be available accordingly for delivery or collection.

In the event, the supply is to be staggered over a specified period to different estates, the Supplier would expect all delivery instructions (or Local Purchase Orders as the case may be) to be confirmed to the Suppliers at least 60 days before the expiry date of Contract. For all intents and purposes the Buyer is required to give the Supplier written details of the full requirements over the period of contract as specified in the Supply Agreement entered into.

If the written confirmation of delivery instructions is not received by the abovesaid dateline, the Supplier reserves the right not to fulfill the particular order.

[If the confirmation of delivery instructions (or LPOs as the case may be) are not received by the abovesaid dateline the Supplier reserves the right to sell the cargo and charge the difference (if any) to the Buyer after giving the Buyer notice of 14 days].

4. Delivery Period

The offer is for delivery/collection is within a time period to be agreed between the parties from the date the award is given by the Buyer to the Supplier.

5. Delivery Schedule - Grace Period

In the event the delivery schedule cannot be completed due to

- i) Supplier being unable to do so, then the delivery period may be extended for another 30 days without penalty.
- ii) Buyer being unable to receive, then the delivery period may likewise be extended for another 30 days without additional charges.

6. Payment

- i) The offer is based on payment terms of not more than ___ days from date of delivery. The Supplier reserves the right to impose late payment interest at 1% of value of agreed Sale and Purchase price of the fertilizers for every month delay or prorata thereof for every month delay.
- ii) In the event the Buyer fails to submit payment after the period of payment agreed upon and has exceeded the credit limit, the Supplier shall reserve the right to stop further delivery until payment is received.
- iii) In the circumstances as stated in clause 6 (ii) above, Clause 5 (i) & (ii) shall be inapplicable to the Buyer.

7. Quality

The fertilizers to be supplied shall conform to the relevant standards as per International Producers Specifications given to the Importer (Local Supplier in this case). In the event the Buyer finds that some or all the fertilizers supplied do not conform to these standards, the Buyer shall duly notify the Supplier in writing within 3 working days and not apply the particular lot of fertilizers. The Supplier shall respond within 7 working days to make arrangements for joint sampling according to SIRIM's procedures and testing at 2 other independent laboratories. If indeed the tests show that the fertilizers are below the said specifications, the Supplier shall compensate the Buyer proportionately for the value of fertilizers under specifications. Further the Buyer is required to retain 5 bags of fertilizers per consignment for future joint sampling should the need arise for purposes of conformation of the standards at the Supplier sole and absolute discretion.

At no time during this process shall the Buyer withhold any monies whatsoever due to the Supplier.

8. Short weight

In the event the Buyer claims that for particular loads, the Buyer's weighbridge is registering a short-weight:

- i) The Buyer shall count the number of bags supplied in that particular load together with the lorry driver and note it accordingly in the Delivery Note/Order or Collection Advice.
- ii) The Buyer shall duly inform the Supplier in writing within 3 days of receipt of goods.
- iii) The Buyer shall not apply any of the fertilizers.

The Supplier shall respond within 7 working days of receipt of notice and arrange to :

- a) Provide details of Supplier's weighbridge records.
- b) Send a representative to the Buyer's plantation to randomly weigh the bags retained in the store.
- c) Provide weighment details of "deliveries to-date" to establish overall weighment against that particular order.

If indeed the Buyer's and Supplier's weighbridge figures, the random weighment, and the overall weighment for cumulative loads show a short-weight status then the Supplier shall either:

- a) Replace the established short-weight amount; or
- b) Compensate the Buyer by issuing a Credit Note proportionately for the value of the fertilizers short weight.

At no time during this process shall the Buyer withhold any monies whatsoever due to the Supplier.

9. Changes in Import Duties and Taxes

The Supplier reserves the right to revert to the Buyer for any difference in cost arising from any changes in import duties and other taxes as announced by the Government during the Supply period.

10. Force Majeure

- a) Neither party shall be liable for any non-performance or delay in performance caused by acts of God, industrial disturbance, war (declared or undeclared), civil commotion, perils of the sea, epidemic, pandemic, mandatory or voluntary regulations or orders issued or requested by any governmental authority including but not limited to movement control orders, breakdown of machinery, equipment or terminal facilities, interruption of transportation or distribution facilities or any other cause whatsoever (whether or not of the same class or kind as those as set forth above) beyond its reasonable control (herein called "Force Majeure").
- b) The party claiming Force Majeure shall notify the other party within 15 days after the party has notice thereof.
- c) If Force Majeure affects the Supplier, the Supplier may at its option, exercise by written notice given to the Buyer within a reasonable time either to cancel from the relevant contract the quantities which have not been shipped due to Force Majeure, without affecting the balance of the aforesaid contract, or ship such quantities in one or more lots. After the Supplier deems the effect of Force Majeure to have ended, the Supplier may by written notice to the Buyer revert to the same terms as set forth in the aforesaid contract.