

Our Ref: AH-7851/KN/0161533

DATE: __/__/20__

Your Ref: _____

SALES/PURCHASE CONTRACT FOR USED RAILS R50 / R65

First Party (Seller): **BEST METAL TRADE . EAST AFRICA**
Magadi Rd, Athi River, P.O. Box: 18638 -00500 Kenya

Second Party (Buyer): ...

Whereas the first party (hereinafter referred to as "**seller**") is registered in Kenya – East Africa under the prevalent laws for trading activities in metal products and general commodities. The second party (hereinafter referred to as "**Buyer**") is a company having its corporate office as above for manufacturing/ trading activities.

Both the seller and the buyer have agreed to do the business activities under this Contract for USED RAILS R50 / R65 as per the terms and conditions enumerated as under:

1. Commodity/ Material**USED RAILS R50 / R65**

TOTAL CONTRACT		PRICE / MT / CIF
180 000 MT	15 000 MT x 12	\$ 219.00
360 000 MT	30 000 MT x 12	\$ 202.00
720 000 MT	60 000 MT x 12	\$ 198.00
Spot 30 000 MT	30 000 MT x 1	\$ 190.00

Rails, Ref VTC 27 Used Rails Description

The Scrap consists of R50 (51.67 Kg / M) and R65 (64.72 kg / M)

Chemical composition of Used Rails

- Carbon 0.54 / 0.82

- Silicon 0.18 / 0.40

- Manganese 0.60 / 1.05

- Sulphur 0.04 Maxi

- P 0.035 Maxi

- AS 0.01 Maxi of mass share

Norms: R 50 Gost-7173-75 and R 65 Gost – 8165-75

ISRI Codes:

27 – Rail Steel n° 1 Standard section tee rails original weight 50 pounds per yard or heavier 10 feet long and over. Suitable for rerolling into bars and shapes. Free from bent and twisted rails, frog, switch and guard rails or rails with split heads and broken flanges. Continuous welded rail may be included provided no weld is over 9 inches from the end of the piece of rail.

28A – Rail Steel n°2 cropped rails ends. Standard section, original weight of 50 pounds per

yard and over, 18 inches long and under.

28B – Rail Steel n° 2 cropped rail ends. Standard section original weight 50 pounds per yard and over 2 feet long and under.

28C - Rail Steel n° 2 cropped rail ends. Standard section original weight 50 pounds per yard and over 3 feet long and under.

29- Rails Steel n° 3 Standard section tee, girder and/or guard rails, to be free from frog and switch rails not cut apart, and contain no manganese, cast, welds or attachments of any kind except angle bars. Free from concrete, dirt and foreign material of any kind.

The rails can be cut to any requested length with additional charge

TOTAL CONTRACT		PRICE / MT / CIF
180 000 MT	15 000 MT x 12	\$ 250.00
360 000 MT	30 000 MT x 12	\$ 225.00
720 000 MT	60 000 MT x 12	\$ 203.00
Spot 30 000 MT	30 000 MT x 1	\$ 195.00

HMS 1 & 2 (80/20)

TOTAL CONTRACT		PRICE / MT / CIF
180 000 MT	15 000 MT x 12	\$ 350.00
360 000 MT	30 000 MT x 12	\$ 322.00
720 000 MT	60 000 MT x 12	\$ 300.00
Spot 30 000 MT	30 000 MT x 1	\$ 280.00

2. Specification:

Scrap Description : H.M.S. 1&2 (80/20) and H.M.S.1 (100%)

The Seller guarantee to the Buyer that the goods delivered under the present contract will correspond to the characteristics shown below :

The scrap consists out of a mix of :

- mill scrap (stampings, cuttings, bars, etc);
- industrial scrap (nuts, bolts, misc. pieces, etc)
- auto and truck frames and bodies
- railroad scrap (wheels, axles, parts of locomotives and carriages, etc)
- ship scrap (fittings, plate pieces, parts, etc)
- construction scrap (plate, bars, angle pieces, rods, steel pipe, etc)
- miscellaneous commercial scrap (appliance

casings, frames and parts, etc) Non-metal impurities total of 1% (one percent) or less.

All goods sold by the Seller will also be totally free from any types of radiation, bombs, arms and ammunition, mines, shell, cartridges, sealed containers, gas cylinders, explosive shells or explosive materials in any form either used or otherwise as per the specification below.

Steel scrap shall be considered free of alloys when the residual alloying elements do not exceed the following percentages :

- Nickel 0.45%
- Chromium 0.20%
- Molybdenum 0.10%
- Manganese 1.65%

The combined residuals other than manganese shall not exceed a total of 0.60%.

H.M.S.1 - ISRI Code 200 : Heavy Melting steel. Wrought iron and/or steel scrap ¼ inch or steel scrap ¼ inch and over in thickness. Individual pieces not over 60x24 inches (charging box size) prepared in a manner to insure compact charging. **H.M.S.1 - ISRI**

Code 201 : Heavy melting steel 3 feet x 18 inches. Wrought iron and/or steel scrap ¼ inch and over in thickness. Individual pieces not over 36x18 inches (charging box size) prepared in a manner to insure compact charging. **H.M.S.1 - ISRI Code 202** : Heavy

melting steel 5 feet x 18 inches. Wrought iron and/or steel scrap ¼ inch and over in thickness. Individual pieces not over 60x18 inches (charging box size) prepared in a manner to insure compact charging.

H.M.S.2 - ISRI Code 203 : Heavy melting steel. Wrought iron or steel scrap, black and galvanized, 1/8 inch and over in thickness, charging box size to include material not suitable as N°1 heavy melting steel. Prepared in a manner to insure compact charging.

H.M.S.2 - ISRI Code 204 : Heavy melting steel. Wrought iron and steel scrap, black and galvanized, max size 36x18 inches. May include all automobile scrap properly prepared.

H.M.S.2 - ISRI Code 205 : Heavy melting steel. Wrought iron and steel scrap, black and galvanized, maximum size 36 x 18 inches. May include automobile scrap properly

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prepared, however, to be free of sheet iron or thin gauged material. **H.M.S.2 - ISRI Code 206** : Heavy melting steel max size 5 feet x18 inches. Wrought iron and steel scrap, black and galvanized, maximum size 60 x 18 inches. May include automobile scrap, properly prepared, however, to be free of sheet iron or thin gauged material.

Quantity: Minimum Order: 30.000 Tonnes
Price C.I.F. (Cost Insurance & Freight) Incoterms 2000: Any Safe World Ports
Origin: Congo DRC /Tanzania
Location: Tanzania/Kenya/Uganda

3. Technical terms:

1.1 Product: USED RAILS R50 / R65
1.2 Specification: Grade 'A'
1.3 Packing: Palletized banded by aluminum bands
1.4 Quantity: 1000 metric tons – first trial order
1.5 Location: Tanzania/Kenya/Uganda

4. Commercial terms:

2.1 Price: Rate 208/- per metric ton less than the MOQ
2.2 Payment: 30% payment against Invoice and order and 70 % payment upon inspection and shipment of material
2.3 Insurance: Shall be arranged by the seller.

2.4. Bank details:
Sellers' bank details to be provided

5. Shipment terms:

3.1 Terms of shipment: C.I.F.
3.2 Port of Loading: Mombasa Port. Kenya
3.3 Port of discharge:
3.4 Trans-shipment: Not Allowed
3.5 Partial shipment: Not Allowed
3.6 Shipment schedule: First shipment immediately

6. Documents required for balance payment/ release 70% payment:

4.1 Signed commercial invoice in triplicate

- 4.2 Full set of three originals and three non-negotiable marine bills of lading issued blank endorsed, freight pre-paid.
- 4.3 Certificate of origin on seller letterhead
- 4.4 Inspection certificate (International inspection company SGS or related)
- 4.5 Insurance certificate
- 4.6 Packing list
- 4.7 Third party documents are acceptable

5. **General terms:**


- 5.1 Arbitration – International laws applicable. Jurisdiction would be EAC (East Africa Community) as mutually agreed to.
- 5.2 Force Majeure – Standard international force majeure clauses are applicable.
- 5.3 Amendments to the contract conditions – Both the parties agree that any amendment to any condition of this contract should be in writing. No amendment shall be deemed valid without such documentation.
- 5.4 Language – The language of this contract and the related correspondence shall be in ENGLISH.
- 5.5 This contract shall be governed by the rules of the International Chamber of Commerce and INCOTERMS 2010 and amendments made there-under from time to time

IN WITNESS WHEREOF the parties herein have executed these presents on the day mentioned above and in the manner hereinafter appearing

This contract is in two original copies. Each party holds one original copy. Fax or e-mail from any electronic exchange is effective since being signed /sealed by both the parties.

Signing this Contract shall be considered an irrevocable commitment to sell and purchase. We hereby declare the above captioned information to be true and correct to the best of our knowledge and this offer is being made without any prejudice for the successful completion of this said order.

The issued offer is valid only for 10 Solar days after downloaded

For and on behalf of the Buyer:	For and on behalf of the Seller:
<p>.....</p> <p>Company: Name: - CEO or better</p> <p>Nationality:</p> <p>Passport:</p> <p>Signature:</p>	 <p>.....</p> <p>Name: Elijah G. Muchiri Title: The General Director At : BEST METAL TRADE, EAST AFRICA ON behalf of P.O. BOX: 18638 -00500 ,ATHI RIVER , MAGADI RD, ATHI RIVER, KENYA</p>