

MALUCK ENTERPRISE

7 January, 2022

TO: Copper Wire Scrap Seller

Dear Sir/Madame,

SUBJECT: LOI for copper wire scrap (HS code 74.04.00.12)

We have a client interested in buying Millberry - copper wire scrap:

Millberry Copper Scrap wire from electric cables not smaller than 1,3 mm (No. 16 B&S).

The copper wire consist of clean (free of any insulation), untinned, uncoated, unalloyed copper wire, free of hair wire, brittle burnt wire, excessive oils minimum and without any rests of any other material. The copper must NOT BE oxidated and radioactive. In before mentioned material, goods should not have any wires from electromotors that are or were lacquered. This material has to be according to standard specification of ISRI (Institut of scrap recycling Industries), Scrap specification circular 2015: Guidelines for Nonferrous Scrap: NF-2015, Red Metal, Barley No.1 copper wire and Berry No.1 copper wire,

Quantity: 1 trial container for test (20 tons) test, after that from 1000-2000 tons per month

Delivery term-parity: CIF, Slovenia

Price: LME – xy% or according to agreement with fix price (for test quantity we are ready to pay also higher price in value of higher costs because smaller quantity - 1 container

Material packing : in bulk (loose) – (it mustn't be compressed), it can be packed in big bags 250-1000 kg per bag

Payment: 100 % L/C at sight, irrevocable, non-transferable payment after SGS inspection or equivalent at destination port

Proposed payment procedure for DLC:

1. Seller issues the draft SPA to the Buyer to verify, if he found any mistakes, make the changes in different colour and send back to the Seller.
2. The Buyer completes and signs the Agreement send back to the Seller along with ICPO.
3. The Seller completes and signs the Agreement and sends to the Buyer
4. Buyer and Seller signs a Sales and Purchase Agreement (SPA) in counterparts; after signing the SPA, Seller shall issue the Proforma Invoice for the face value of trial delivery. After this seller send POP. Seller sends e-mail to us and to client's bank that he will open 2% PB when he receives non operative LC which will be basis for activation of the LC at the same time seller sends this e-mail also to his bank (his bank officer) for record so it is visible.
5. Buyer first issues draft LC bank to bank. Seller or seller's bank confirms draft LC bank to bank. Buyer issues 100% DLC non operative, Irrevocable non divisible NON- TRANSFERABLE DLC (MT 700).
6. Seller issues 2 % PB and with this activates the LC (LC becomes operative)
7. Seller start shipment
8. Buyer can visit Loading Port to view the stock and monitor loading.

9. The seller ensure all the documents to allow and enable the control of goods at unloading port by accredited institution SGS or equivalent payed by buyer (if seller want also he can order the control and pay for it). The issued suitable positive inspection certificate of quality and quantity from accredited international institution at unloading port is sent to buyer and to seller and is bassis for DLC payment.

10. Payment Buyer pays at final destination by MT 103after the SGS report by at Buyer Discharge Port

Control institution:SGS or similar at loading port and SGS or similar at destination port

Insurance of goods with top insurance company with next 4 insurance clauses:

- coverage against all risks as per to Institute Cargo Clauses, Cl. 382,
- coverage of war risks as per Institute War Risks (Cargo), Cl. 385,
- coverage of strike risks as per Institute Strikes Risks (Cargo), Cl.386,
- coverage for T.P.N.D. as per Institute Theft, Pilferage and Non-DeliveryCluse, Cl.272.

Best regards.

Luckie Magorimbo
EXECUTIVE DIRECTOR