

# AGREEMENT FOR THE BARTER OF GOODS AND PRODUCTS

This Agreement made and entered into this ( ) day of ( ), 200-- by and between ( 당사자명) , a corporation duly organized and existing under the laws of (당사자국명), having its principal office at (주소) (hereinafter referred to as "AAA"), and (당사자명), a corporation duly organized and existing under the laws of (당사국명), having its principal office at (주소), (hereinafter referred to as the "BBB")

WITNESSETH:

WHEREAS, AAA desires to enter into a barter arrangement with BBB under which AAA agrees to sell to BBB the Products; and

WHEREAS, BBB desires to enter into a barter arrangement with AAA under which BBB agrees to sell to AAA the Goods;

NOW THEREFORE, AAA and BBB agree as follows;

## **Article 1 (Purpose)**

- 1.1 The parties hereto agree to sell and trade their respective Goods and Products to the other party in exchange for the Goods and Products of the other party, on a barter basis;
- 1.2 The parties furthermore agree that the mutual sale, purchase and trade of their respective Goods and Products hereunder shall be accomplished in a manner to minimize the exchange or transfer of money between the parties.

## **SECTION 1. GOODS PROVISION**

### **Article 2. Goods**

- 2.1. In consideration for the sale and purchase described in Article 8.1 below, AAA agrees to sell to BBB and BBB agrees to purchase from AAA the following Goods in the quantity and at the price set forth below:

Description of Goods	Quantity	Unit Price

The total sale and purchase price for these Goods is US\$ ( )

2.2 The Goods shall be complied with the following chemical and physical specification requirements;

SPECIFICATION	Goods	Remarks

The quality of Goods shall be confirmed by Certificate of Quality issued by the AAA.

**Article 3. Delivery of the Goods**

3.1 The term of delivery of the Products shall be from January 1995 to December 1995.  
The AAA shall deliver the Goods to BBB on the basis of FOB according to Incoterms 1990. The detailed shipment schedule shall be specified in Annex I which is attached hereto and is integral part of this Agreement.

3.1 All of the Goods purchased by BBB hereunder shall be delivered to the port of Busan, Korea, according to the following schedule and methods;

Quantity and Description of Goods	Dates of Delivery	Method of Delivery (or name and code of destination station)

3.1 Delivery of the Goods shall begin on or about 1st January, 1995 and be completed by 31st December, 1995. At least (60) days before the beginning of each scheduled shipment date, AAA will notify BBB of the tentative shipping schedule for the following shipment.

Within (15) days after receipt of such notice BBB may request AAA to modify the shipping schedule, in which case AAA and BBB will mutually discuss in good faith a revised shipping schedule.

3.2 AAA shall provide BBB with the following documents ;

- Certificate of quality of Goods: \_\_\_\_\_ copies
- Certificate of quantity of Goods(on each tem hundred(10,000) metric tons): \_\_\_\_\_

copies.

- Full set of clean on board ocean bill of lading  
(철도운송의 경우에는 Full set of clean on board railway bill of lading)
- Invoice: \_\_\_\_\_ copies
- Certification of origin issued by Russian chamber of commerce

#### **Article 4. Price of Goods**

- 4.1. The price of the Goods sold by AAA and purchased by BBB under this Agreement shall be the prices set forth in Article 2.1..

The price for the Goods shall be paid at the monthly average of the cash settlement quotation for the Goods grade "A" of the London Metal Exchange as published in Metals Week for the Quotational Period. (다만, 이 경우에는 quotational period에 관한 규정을 별도로 설치하여야 한다.)

- 4.2 All prices of Goods shall be quoted in United States Dollars.

#### **4.3 Trade Adjustment**

4.3.1 The Goods shall be of a superior quality and shall be readily marketable and merchantable. BBB herein shall not be obligated to purchase, accept or receive the Goods of the AAA which are of an inferior quality necessitating a resale at distressed prices or are of a type in world surplus unless the price for such goods quoted hereinabove reflects a reasonable and accurate discount for such inferior quality or world surplus, as the case maybe. In the event that a party hereto accepts such Goods of an inferior quality or in world surplus and the price for such Goods quoted hereinabove is more than the price at which such Goods are resold by the receiving party, the price quoted hereinabove for such Goods shall accordingly be adjusted to such resale price reduced by a reasonable profit to the reselling party.

4.3.2 If the prices quoted in Article 2.1 and 7.1, whichever is appropriate, are to be adjusted for any Goods for the reasons and in the amount set forth in Article 4.3.1, the party for whose benefit the adjustment is to be made, shall be entitled, at its option, to:

- (a) order an additional quantity of Goods from the other party equal to the full amount of the adjustment, or
- (b) demand payment in cash equal to the full amount of the adjustment, or
- (c) order an additional quantity of Goods equal to a portion of the adjustment and demand payment in cash of the remainder of the adjustment.

4.3.3 The order for an additional quantity of Goods, whether for the full amount of the adjustment or a portion thereof, shall set forth the quantities and types of Goods, and the date and method of delivery; provided, that the types of Goods which may be so ordered shall be limited to the types described in Article 2.1, and the place

of delivery shall be the place described in Article 3. The price for such Goods shall be the prices set forth in Article 2.1, subject to the adjustments provided in Articles 4.3.1. All of the other terms and conditions of this Agreement shall apply to such order and the Goods so ordered.

#### **Article 5. Payment**

- 5.1. Payment for the value of the Goods delivered to BBB shall be paid for by BBB by delivery to AAA of an equivalent value of Products as specified in Article 8.1.
- 5.2 Upon delivery to and acceptance of the Goods by BBB, the value of the Goods accepted shall be credited to a "barter account" for AAA. The value of each lot will be credited to the account upon determination of acceptance by BBB, as demonstrated by the issuance of Acceptance Certificate. The "barter account" will be liquidated as specified in Article 11, by applying to the account the value of the Products delivered to AAA in accordance with Section II of this Agreement.

#### **Article 6. Invoices**

- 6.1 An invoices shall be submitted weekly(or monthly) by AAA to BBB covering the quantity of material to be delivered in the next week(or month) complying with the form attached hereto as Appendix ( ).
- 6.2 The unit price of the Goods as provided in Article 2.1 is inclusive of all costs of performance, including costs and cost escalations not known or not contemplated at the time this Agreement was signed, and includes (without in any way limiting thereto) all costs and costs escalations related to material, labor, transportation to the vessel, and testing, as well as AAA's country's customs, duties, taxes, assessments, licenses and permits. The unit price of Goods covered by this Agreement is firm and fixed and not subject to revision.

#### **Article 7. Weighing, Sampling, Analysis, Inspection and Acceptance**

- 7.1 Lot Size  
For the purpose of weighing, inspection, sampling and analysis, a lot shall constitute 10,000 Wet Metric Tons consecutively delivered.  
  
또는 AAA shall deliver the Goods in a lot size of approximately 10000 WMT unless otherwise mutually agreed.
- 7.2 Inspection  
Inspection of the Goods shall be performed or witnessed by AAA representative at

destination port(or any place agreed by both parties)

### 7.3 Sampling and Analysis

AAA will sample the Goods at (검사장소). Sampling and sample preparation shall be at the direction and expense of AAA. Representative samples shall be taken from each lot. Samples taken shall be for the purpose of determining conformance of the lot to the requirements of the Specification provided in Article 2.1. Procedures and method for the laboratory testing shall be those described in Annex ( ).

### 7.4 Moisture Content Determination

One portion of the sample taken for moisture determination will be delivered to (검사기관).

One or two portion of the AAA sample shall be used for moisture content determination. The percentage of moisture in the sample shall be subtracted from the net weight of the lot as determined in Article 7.6 below, and the resulting dry weight shall be used as the basis for payment. The moisture determination of the AAA analysis shall be final on all deliveries and not subject to umpire.

### 7.5 Umpire Laboratory Procedure

AAA may request that a sample be sent to umpire for chemical analysis. The umpire laboratory shall be mutually acceptable to AAA. The average of the umpire analysis results and the results of either AAA analysis, whichever is closer to the umpire results, shall be final and govern. For individual lots not in conformance with the specification provided in Article 2.1, only compounds that failed to meet the specification requirements may be analyzed by the umpire. The cost of the umpire will be for the account of the party whose analysis is the farthest from umpire's results. If both are of equal difference from the umpire, the cost will be shared equally.

### 7.6 Weighing

Weighing shall be performed by an neutral and independent surveyor such as SGS at the (검사장소) as close as possible to the storage site. Weighing shall be at the expense of AAA. Every lot shall be gross weighed prior to delivery of the Goods to the shipment port by draft survey. When a completed lot of Goods has been weighed, a certified quantity certificate shall be signed by the surveyor and attested to by the AAA representative.

### 7.7 Acceptance

7.7.1. If the analysis of the AAA sample indicates that the Goods complies with the requirements of the specification when considered on a weighted average basis with all previous deliveries, the lot shall be accepted.

7.7.2 If any lot fails to comply with the requirements of the specification when considered on a weighted average basis with all previous deliveries, acceptance shall not be made for such lot until (by subsequent lots) the weighted average of all lots delivered shall comply with the requirements of the specification.

7.8 In case the (spec 이름) is exceeded ( ) percent in comparison with the specification in Article 2, the AAA shall accept the reduction of ( ) percent of the total price of Goods at each point one percent of excess of (spec)

## **SECTION 2. PRODUCTS PROVISION**

### **Article 8. Products**

8.1. In consideration for the sale and purchase described in Clause 2.1 above, BBB agrees to sell to AAA and AAA agrees to purchase from BBB the following Products in the quantity and at the price set forth below:

Description of Goods	Quantity	Unit Price

The total sale and purchase price for these Goods and Products is US\$ ( )

8.2 The Goods shall be complied with the following chemical and physical specification requirements;

SPECIFICATION	Products	

### **Article 9. Delivery of the Products**

9.1 제 3 조 참조

9.2 At least 21 days prior to the final date that BBB is to have the Products at port, AAA shall furnish BBB with a notice to deliver listing the vessel name, estimated time of arrival and port, quantity of Products scheduled to be lifted, and stating whether the shipment is to be containerized or unitized, such as on pallets and stretch-wrapped. The notice shall be sent to the (통지처).

### **Article 10. Quality and Quantity Determinations**

- 10.1 The Products shall be complied with GOST ( ) grade for Products in effect on 1995, except that the moisture content must be no more than ( ) percent.
- 10.2 The Products shall have been manufactured in the BBB's country within 90 calendar days from date of delivery to ( ) ports. The date of delivery to port will be evidenced by the date of the Bill of Lading. (제품생산기일에 대한 제한이 필요한 경우에만 삽입)
- 10.3 Inspection and testing procedures for the purpose of determining the quality of the Products shall be in accordance with ( 검사기준).
- 10.4 AAA shall have the right of reinspection of the Products at the destination port and the right to reject any Products which does not meet the terms and conditions of this Agreement.

#### **Article 11. Payment for the Products**

- 11.1. Payment to BBB for the FOB value of the Products delivered to and accepted by AAA shall be paid for by AAA by delivery to quantity of Goods equivalent in total value to the total ( ) value of the Products delivered.  
5.2조가 설치될 경우에는 다음과 같은 조항을 추가.  
BBB will establish a "barter account" in which the value of exports of Products will be applied against the value of the Goods delivered to BBB in accordance with Section I of this Agreement.
- 11.2 If the total value of the Products delivered to AAA exceeds the value of the Goods received by BBB, AAA shall make payment to AAA for such excess in U.S.Dollars.

### **Section 3. General Provisions**

#### **Article 12. Stand-By Letter of Credit and Penalty**

- 12.1 Each party hereto shall obtain an irrevocable standby Letter of credit in the sum of ( ) from a bank reasonably acceptable to the other party, on or before ( ), and shall maintain such standby letter of credit in such sum at all times during the term of this Agreement.
- 12.2 If a party fails to deliver all or a part of its Goods and Products to the other party within ( ) days after being served notice that it failed to deliver its Goods and Products in accordance with the delivery schedule set forth in Article 3 and 9, or a party obligated to make a payment under Article 5 and 11 fails to make such payment in full within the time period prescribed by such provision, the non-defaulting party

shall be entitled to payment under the standby letter of credit from the relevant bank upon presentation to that bank of a demand for payment stating the amount due and payable to it and a letter from it certifying that it has not received Goods and Products or payment due and owing hereunder within the prescribed time period. The payment to be made under the standby letter of credit for failure to deliver Goods and Products shall be equal to the excess of the total price of Goods and Products delivered by the non-defaulting party over the total price of Goods and Products delivered by the defaulting party.

12.3 In case of non-performance of delivery of the Goods and/or Products, the party who made delay, agrees to pay the liquidated damages to the other party. These liquidated damages are calculated at the rate follows: point five(0.5%) of value for each finished week during first four weeks of delay and point seven five percent(0.75%) for each following finished weeks thereafter. However, the total amount of agreed and liquidated damages is not exceed \_\_\_ percent( %) of the value of the Goods and Products overdue.

### **Article 13. Effective Date**

13.1 This Agreement shall remain in effect for the period starting with the signature of both parties until the mutual obligations herein have been completed.

13.2 This Agreement is subject to the receipt of all necessary governmental approvals, consents, licenses and authorizations to the satisfaction of the parties. If all necessary governmental approvals, consents, licenses and authorizations have not been received within ( ) days of the date of execution of this Agreement, this Agreement shall become null and void.

### **Article 14. Termination**

14.1 The Agreement may be terminated in any of the following cases:

- A) By mutual agreement in writing of the parties;
- B) By the non-defaulting party, in the event of default by the other party in the due performance of its obligations under this Agreement, which default is not remedied within \_\_\_\_\_ days after receipt of written notice of default from the non-defaulting party;
- C) By the other party, in case that either party making an assignment for the benefit of creditors, or being adjudged bankrupt, or insolvent, or filing any petition seeking for itself any arrangement for dissolution and liquidation of its interests; or
- D) By either party, if a force majeure condition under Article 8 hereof makes it unreasonable to proceed with the Agreement in the foreseeable future.

14.2 Upon termination of the Agreement, neither party shall be discharged from any



antecedent obligations or liabilities to the other party under the Agreement unless otherwise agreed in writing by the parties.

**Article 15. Force Majeure**

15.1 Neither party shall be liable to the other party for nonperformance or delay in performance of any of its obligations under the Agreement due to war, revolution, riot, strike or other labor dispute, fire, flood, acts of government or any other causes reasonably beyond its control. Upon the occurrence of such a force majeure condition the affected party shall immediately notify the other party of any further developments. Immediately after such condition is removed, the affected party shall perform such obligation with all due speed, subject to termination under Article 7 hereof.

**Article 16. Arbitration**

16.1 All disputes, controversies, or differences which may arise between the parties out of or in relation to or in connection with the Agreement or for the breach thereof, shall be finally settled by arbitration in Seoul, Korea in accordance with the Commercial Arbitration Rules of the Korean Commercial Arbitration Board. The award rendered by arbitrator(s) shall be final and binding upon both parties concerned.

**Article 17. Governing Law**

17.1 The validity, formation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the Republic of Korea.

**Article 18. Miscellaneous**

18.1 No claim or right of either party under this Agreement shall be deemed to be waived or renounced in whole or in part unless the waiver or renunciation of such claim or right is acknowledged and confirmed in writing by such party.

18.2 If any one or more of the provisions contained in this Agreement shall be declared invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and in such case the parties hereto oblige themselves to reach the intended purpose of the invalid provision by a new, valid and legal stipulation.

18.3 Headings of Article and subsections of the Agreement are for convenience only and shall not be used in construing the Agreement.

18.4 Unless otherwise agreed by the parties, all notices, invoices and communications under this Agreement shall be sent to the parties at their addresses set forth in the initial paragraph of the Agreement. All notices shall be sent by registered airmail and where circumstances require, notices may be sent by cable, facsimile or telex which shall be confirmed by registered air mail.

18.5 This Agreement constitutes the entire agreement between the parties, all prior representations having been merged herein, and may not be modified except by a writing signed by a duly authorized representatives of both parties.

IN WITNESS WHEREOF, the parties through their authorized representatives have executed the Agreement as of the date first above written.

**AAA:**

**BBB:**

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Name, Title