A PAYMENT GUARANTEE MUST BE PROVIDED FOR ONE MONTH'S PRODUCT PRICE. PAYMENT METHOD MUST BE AS FOLLOWS. BY IRREVOCABLE, CONFIRMED AND FULLY CASH-BACKED MT760 BG (SAMPLE)

PROCEDURE

1. BUYER ISSUES LOI+CIS
2. SELLER ISSUES FCO ON THE SAME DAY BUYER CONFIRMS AND TELLS FCO
3. SELLER SUBJECTS DRAFT SPA
4. THE PARTIES AGREE ON AND SIGN THE SPA
5. SELLER ISSUES PROFORMA INVOICE
6. BUYER RETURNS THE SIGNED PROFORMA INVOICE
7. BUYER ISSUES DRAFT FINANCIAL DOCUMENT(PAYMENT METHOD SHOULD BE ONE OF THE ABOVE 3 DIFFERENT PAYMENT METHODS)
8. PB2% IS PROVIDED TO BUYER'S BANK AFTER LC IS OPENED.(2% PBG IS GIVEN FOR PLAIN LC, WE DO NOT GIVE PBG FOR OTHER PAYMENT METHODS.)
9. LOADING STARTS IN MAXIMUM 3-4 WEEKS AND PAYMENT IS PROCESSED AFTER LOADING IS COMPLETED.
10. BUYER PAYS BY MT 103 WITHIN MAX 72 HOURS AGAINST ORIGINAL SHIPPING DOCUMENTS AT LOADING PORT.

PAYMENT METHOD ALTERNATIVE 1

- AFTER CONTRACT, BEFORE LOADING, BUYER ISSUES MT 760 BG (BANK GUARANTEE, 100% CASH BACKED)) THE SELLER CHECKS WITH HIS BANK AND CONFIRMS THE RECEIPT
- SHIP LOADING STARTS ACCORDING TO THE LOADING SCHEDULE.
- AFTER LOADING IS COMPLETED, THE BUYER PAYS 100% AGAINST THE SHIPPING DOCUMENTS VIA MT103 AT THE LOADING PORT WITHIN 24 HOURS,.
- AFTER PAYMENT PROCEDURES AND B/L TRANSFER, THE VESSEL GO TO THE DISCHARGE PORT.
- CONSECUTIVE SHIPMENTS WILL ALSO BE PAID AGAINST ALL ORIGINAL SHIPPING DOCUMENTS AND COMMERCIAL INVOICE WITHIN 24 HOURS VIA MT103 AT THE LOADING PORT.

PAYMENT METHOD ALTERNATIVE 2

- AFTER THE CONTRACT, BEFORE LOADING, THE BUYER SENDS THE FULL AMOUNT OF THE PROFORMA INVOICE TO THE SELLER'S BANK AS MT 103/72 BLOCKED FUNDS (DIVISIBLE AND TRANSFERABLE). THE SELLER CHECKS AND APPROVES THE MT 103/72 BLOCKED FUNDS IN HIS BANK.
- LOADING STARTS.
- AFTER THE LOADING IS COMPLETED, THE ORIGINAL OF THE INSPECTION CERTIFICATE AND ALL DOCUMENTS RELATED TO LOADING ARE SENT TO THE BUYER'S BANK. THE DOCUMENTS ARE CONFIRMED BY THE BUYER. THE BLOCKAGE IS LIFTED AND MT103 TT IS RELEASED WITHIN 72 HOURS MAX.
- AFTER PAYMENT PROCEDURES AND B/L TRANSFER, THE VESSEL GO TO THE DISCHARGE PORT.
- CONSECUTIVE SHIPMENTS WILL ALSO BE PAID AGAINST ALL ORIGINAL SHIPPING DOCUMENTS AND COMMERCIAL INVOICE WITHIN 24 HOURS VIA MT103 AT THE LOADING PORT.

PAYMENT METHOD ALTERNATIVE 3

- BY IRREVOCABLE, NON-OPERATIVE, TRANSFERABLE, DIVISIBLE AND CONFIRMED LETTER OF CREDIT (L/C) 100% PAYABLE AT SIGHT (PORT OF LOADING) – L/C MUST BE OPENED AND CONFIRMED BY FIRST CLASS INTERNATIONAL BANK.
- L/C BECOMES ONLY OPERATIVE WITH 2% PBG.
- AFTER LOADING IS COMPLETED, MT103 TT CASH AGAINST DOCUMENTS AT THE LOADING PORT.
- AFTER PAYMENT PROCEDURES AND B/L TRANSFER, THE VESSEL GO TO THE DISCHARGE PORT.
- CONSECUTIVE SHIPMENTS WILL ALSO BE PAID AGAINST ALL ORIGINAL SHIPPING DOCUMENTS AND COMMERCIAL INVOICE WITHIN 24 HOURS VIA MT103 AT THE LOADING PORT.

THE LETTER OF CREDIT MUST CONTAIN ;

49: CONFIRMATION INSTRUCTIONS, ITEM MUST BE

CONFIRMED.

OTHERWISE THE TRANSACTION WILL BE CANCELED.

DOCUMENTS REQUIRED:

- BENEFICIARY SIGNED AND STAMPED COMMERCIAL INVOICE IN ONE ORIGINAL AND 3 COPIES ORIGINAL INVOICE MUST BE CERTIFIED BY THE CHAMBER OF COMMERCE.
- FULL SET OF 3 ORIGINAL AND 3 COPIESCLEAN ON BOARD"MARINE/OCEAN BILL(S) OF LADING MADE OUT TO APLICANT NAME AND ADDRESS NOTIFY APPLICANT AND MARKED' FREIGHT PREPAID".
- SEPARATE CERTIFICATE OF ORIGIN IN ONE ORIGINAL AND 3 COPIES ISSUED AND OR CERTIFIED BY THE CHAMBER OF COMMERCE AND STATING THAT GOODS ARE OF BRAZIL ORIGIN.
- PACKING LIST IN ONE ORIGINAL AND 3 COPIES SHOWING NO OF BUNDLES AND THE CONTENTS OF EACH BUNDLE CERTIFYING STANDARD SEAWORTHY EXPORT PACKING.
- 3 COPIES OF SIGNED PACKING LIST WITH FULL DETAILS SHOWING DESCRIPTION AND QUANTITY OF GOODS DELIVERED.
- CERTIFICATE OF ORIGIN ISSUED BY S.G.S. AND INSPECTION CERTIFICATE OF WEIGHT AND QUALITY, ISSUED BY SOCIETE GENERALE DE SURVEILLANCE (S.G.S.) AT PORT OF LOADING SHOWING, QUALITY AND QUANTITY SHIPPED EVIDENCE THAT GOODS ARE IN FULL CONFORMITY WITH SPECIFICATIONS AND CONDITIONS MENTIONED IN PRESENT AGREEMENT (CONTRACT) (ONE ORIGINAL AND 3 COPIES)
- PERFORMANCE BOND OF 2 PER CENT WILL BE ISSUED AGAINST NON-OPERATIVE DL/C.
- INSURANCE POLICY OR CERTIFICATE COVERING ATLEAST 110 PERCENT OF THE INVOICE VALUE AGAINST INSTITUTE CARGO CLAUSES (ALL RISKS), WAR, S.R.C.C. THEFT PILFERAGE AND NON DELIVERY, SHORT SHIPENT WITH CLAIMS PAYABLE AT TURKEY. SETTLING AGENT'S NAME AND ADDRESS MUST BE INDICATED (ONE ORIGINAL AND 3 COPIES)

MT760 – Standard Letter of Guarantee

To : xxxxxxx Bank

We,…….Bank located at the address ………… hereby warrant, guarantee and declare that given the fact an amount of up to ______ (say:_________) has been guaranteed by our Bank as joint debtor along with our Customer _____________, but never as ancillary debtor and in a totally independent manner from our Customer as a co-debtor related to all credits extended or to be extended under any "general, retail, housing, vehicle, financial leasing, profit-loss partnership, investment, financing of documents against goods or joint-investment" credit agreements and all other types of credit agreements that has been signed or will be signed by our Customer in Turkish currency, in foreign currency or indexed to a foreign currency (either payable in foreign currency or equivalent in Turkish currency) and also related to any letter of credit, export or import transaction, banker's acceptances / avals and other type of credit or any type of banking activities such as letter of guarantees, counter guarantees, banker's acceptances / avals, all types of sureties, joint indebtness, commitments and guarantees in favour of our Customer or in favour of third parties upon request of our Customer, in addition to drafts, promissory notes and cheques which have been signed or will be signed by our Customer as the issuer, beneficiary, avalist, endorser, also sponsorship / surety and commitments of our Customer extended or to be extended in favour of third parties and all credits utilized under the sponsorship / surety of our Customer, assignment of any receivables by our Customer and all contracts, commitments and protocols signed by our Customer and related to all types of debts arising from or to arise from any type of legal and actual relationship either in person or through acts of an agent / proxy; and we thus guarantee that upon receiving by our Bank of notification in writing via SWIFT from your Bank mentioning that our Customer has failed to fully or partially repay any amount owed or to fulfill its obligations, without any need for recourse for any legal action by a court of law or any other legal procedure, issuing of protest, obtaining of any decision, seeking consent of the debtor and or debtors or presentation of any bill or document, the amount guaranteed in favour of your company will be immediately paid and fully settled in cash, notwithstanding any objection and or contestation and that any dispute will be construed according to the Turkish law and place of jurisdiction being competent courts of Istanbul and enforcement agencies.

This letter of guarantee shall remain valid and operative until ……., however, should your written request for extension of this guarantee received by us via SWIFT on or before this expiry date, we undertake to extend this guarantee to the new expiry date requested by yourselves or pay you the full value of the guarantee.

_____ Bank

_____ Branch