

**Alexandria Cotton Exporters' Association
(ALCOTEXA)
Cotton Export Selling Conditions
For Season 2008/2009**

ALCOTEXA announces Cotton Export Selling conditions for Egyptian cotton varieties for season 2007/2008, effective from 26/10/2008, as follows.

1. Export selling prices will be set by agreement between Buyer and Seller, and according to shipment date, and whenever shipment is postponed, upon Buyer's request, beyond the date defined in the contract and till end August 2009, carrying charges to be calculated according to both parties agreement, ALCOTEXA will announce, periodically, the average of the contracted prices.
2. All bids submitted by buyers to cotton export firms, members of Alexandria Cotton Exporters' Association, are subject to ALCOTEXA's approval, according to its bylaws.
3. All contracts registered with ALCOTEXA are final.
4. Payment to be effected in U.S Dollars.
5. Contracts may be concluded on basis F.O.B - C.I.F. - C.&F according to both parties agreement.
6. Settlement to be effected on the basis of both parties agreement and according to recognized banking procedures.
7. The Seller may grant payment facilities, in which case the Buyer has to open a L/C confirmed by a first class bank according to both parties agreement.
8. Sales' contracts approved to be registered with ALCOTEXA should be accompanied with Buyer's name, country, quantity, variety, type, shipment dates and corresponding price for each shipment date.
9. Registration will not be allowed for buyers who didn't settle their contracts in previous seasons.
10. Contracts are to be issued in metric tons (1000 Kilos) stipulating variety & type according to both parties agreement. Weight tolerance of $\pm 2\%$ is allowed, and the Buyer must pay for excess weight which is calculated at the original contracted price.

11. All contracted cotton must be shipped on the date defined in the contract. Whenever Buyer postpones shipment beyond end August 2009, he must settle the entire value of the quantity postponed according to the contract. Such being the case, the Buyer will bear storage and insurance expenses at the rate of, at least 1% monthly of the value prorata, or undertake them himself.
12. In case of non-execution of all or part of the contract in the date defined in the contract, for reasons imputable to Buyer or Seller, the contract will be cancelled. The party who has induced non-execution of the contract will bear either a penalty of 10% **or the differential between the contracted price and the price prevailing at the time of non-execution, whichever is greater**, against the value of the unshipped quantities.
13. Value of cotton shipped will be calculated on basis of "Humidity Test Certificate" issued by the Cotton Arbitration & Testing General Organization (C.A.T.G.O.), and not to be subject to settlement.
14. Switching from one type or variety to another is allowed, according to Buyer's request and Seller's approval.
15. In case of dispute, the Seller and the Buyer can/may refer the matter to ALCOTEXA for arbitration.
16. Either a contract signed by both parties or documents and correspondents that prove conclusion of the contract, should be submitted to ALCOTEXA upon seeking arbitration for non - execution of all or part of the contract.
17. The aforementioned terms and conditions form an integral part of the Egyptian sales conditions.