

**GOODS DELIVERY  
COOPERATION INSTRUCTIONS  
OF TRADING HOUSE URALCHEM, LLC  
TO BUYERS (CONSIGNEES)**

## *Goods delivery cooperation instructions of Trading house URALCHEM, LLC to Buyers (Consignees)*

The present Instructions are developed in order to determine the rules of interaction between Trading house URALCHEM, LLC (Supplier), the Consignor and the Forwarder with the Buyers (Consignees) of the Goods on the most frequently arising issues related to the conclusion and execution of the supply agreement (coordination of delivery conditions, rules for unloading the Goods packed in soft containers (hereinafter referred to as “big bag”) from open cars, working with empty rolling stock, actions of the Buyer (Consignee) in case of suspicion of non-compliance of the delivered Goods with the Goods quality requirements and (or) number of the Goods).

### **1. Agreement of terms and conditions of mineral fertilizers delivery**

Agreement of terms and conditions of delivery may occur in business correspondence of the Supplier and the Buyer.

Business correspondence includes the following documents:

#### **1.1. Request**

**1.1.1.** The Buyer sends a request by fax or e-mail to the Supplier and indicates his idea of the price.

#### **1.2. Response to the request**

The Supplier, in response to the Buyer's request, may send by fax or e-mail:

**1.2.1.** *The idea of the price per unit of Good* with the indication of the basis of delivery, packaging, payment terms and delivery dates.

For the purposes of the present Instructions, “the Idea of Price” is an indication that shows the approximate price level under conditions existing at the time of its provision. Providing the price idea does not entail any obligations for the Supplier. The price idea may vary depending on market conditions, production programs, external and internal factors, etc.

**1.2.2.** *Solid price offer for the Goods* with the indication of the basis of delivery, packaging, volume, terms of payment, delivery dates and dates of validity of the present offer.

In case the Buyer, within the validity period of the fixed price offer, sends a confirmation of the price offer to the Supplier (consent to purchase the Goods under the conditions specified in the fixed price offer), the deal is made.

#### **1.3. Confirmation of the solid price offer, the application for the purchase and Goods shipment.**

In case the Buyer agrees to purchase the Goods on conditions specified in the Solid price offer, the Buyer shall confirm in writing the intention to purchase the Goods, during the term of the offer, by sending the Application for the purchase and shipment of the Goods in the form of Annex No. 1 to the present Instructions on the conditions specified in the solid price offer, and requests the invoice for payment of the Goods.

Submitting the request entails the occurrence of the following obligations and the provision of the following assurances by the Buyer:

- In case of confirmation of the application by the Supplier, the Buyer undertakes to pay in full the invoice on the date specified in the invoice.

- Non-payment / violation of the payment terms of the invoice issued by the Supplier will be non-fulfillment of the obligations assumed by the Buyer and inequitable conduct, shall entail liability, including, but not excluding, the Supplier's refusal to fulfill obligations for the Goods delivery, the Supplier's right to terminate relations with the Buyer upon request and in the future;

- Confirmation of the Buyer's readiness to purchase and accept the Goods, to sign the supply contract and specifications no later than 2 (two) working days from receipt from the Supplier by email;

- Confirmation of the Buyer's familiarization and consent with the Goods delivery cooperation instructions of Trading house URALCHEM, LLC to Buyers (Consignees), with trade policy of Trading house URALCHEM, LLC in relation to sales of mineral fertilizers on the Russian market, posted on the website <http://www.uralchem.ru/products/order>;

Obligations of the Supplier on Goods delivery arise only after receipt of 100% prepayment to the bank account of the Supplier, upon condition that the Supplier received scan copies of the supply contract and specification signed by the Parties.

#### **1.4. Invoice and specification issue**

**1.4.1.** When the deal has been confirmed by the Buyer, the Supplier issues an invoice and specification corresponding to the application. The refusal of the Buyer from the confirmed transaction entails a break in the contractual relationship between the Buyer and the Supplier.

**1.4.2.** Buyer's cancellation of the deal is recognized:

- refusal to sign the documents submitted after receipt of the confirmed application of the Buyer (contract, invoice, specification) corresponding to the confirmed application;

- non-payment / violation of the terms of payment and (or) obligations for the provision of documents and (or) obligations for sampling (acceptance) of the Goods, stipulated by the terms of the supply contract and (or) specification and / or invoice.

**!!! Note: Obligations agreed upon by both Parties and established by the contract / supplement to the contract, in the manner and within the timescale specified by the Parties, are subject to execution. In case one of the Parties intends to amend / exclude / add to the conditions established by the contract / supplement to the contract, or clarify / change the wording of the contract, the initiating party should promptly send the other party a proposal to make the appropriate changes. In case that the other party agrees to make changes, the parties draw up changes in the manner prescribed by the contract.**

**If the changes are not agreed, the obligations that have been agreed by the parties and established by the contract / supplement to the contract are subject to execution.**

For example:

The following delivery time is determined in the specification to the supply contract:

“May - June 2015. The specific delivery date(s) is determined by the Supplier.”

This condition means that the Supplier undertakes to deliver the goods no later than June 31, 2015, to make shipment on the date(s) at its discretion, and the Buyer undertakes to accept the goods delivered by the Supplier.

In case the Buyer intends to determine the delivery time in a different way (set specific dates, a shorter delivery period, etc.) when concluding the contract / supplement to the contract or after they are signed, such condition (change of the delivery time condition) must be agreed with the Supplier and amend the contract / addition to the contract in the prescribed manner (the contract and any changes and additions to the contract are valid only if they are made in writing, signed by the accredited representatives of both Parties and, in the presence of a seal, sealed of the organization).

**2. Unloading of the Goods packed in the big bags from the open cars.**

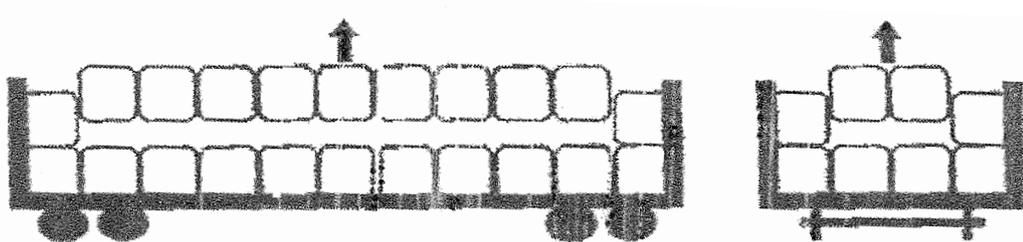
2.1. In order to avoid violation of integrity of the packaging, unloading of the big bags from the open car should be started from the middle part of the upper deck. After the middle part of the upper deck will be free, it is necessary to start unloading the big bags located at the sides of the car, and after slinging of the big bags which are at the side, they should be taken away from the side of the car in order to preserve the integrity of the big bag. Unloading of the lower deck of the car should be performed on the same principle.

2.2. In order to avoid breaking the line, as well as to ensure safe work of the loader, unloading more than one big bag at the same time is not recommended.

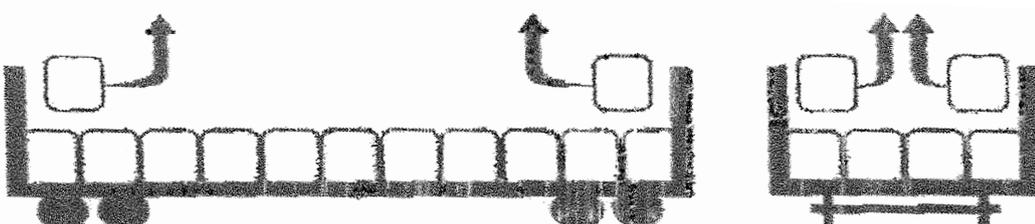
2.3. Open car unloading scheme:

Unloading of the upper deck

A. Unload the middle part

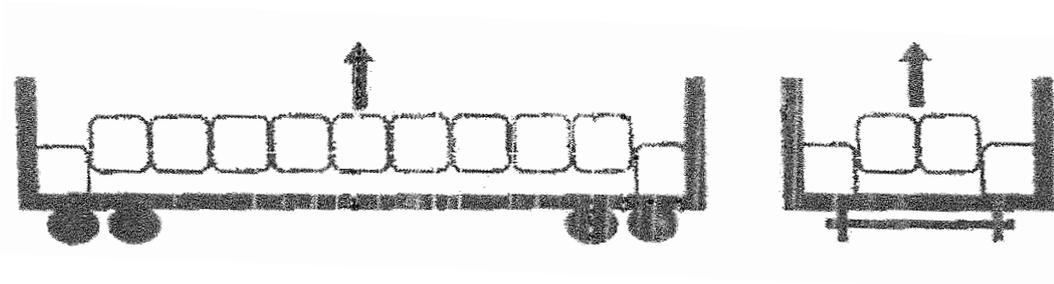


B. Unload, taking away from the board

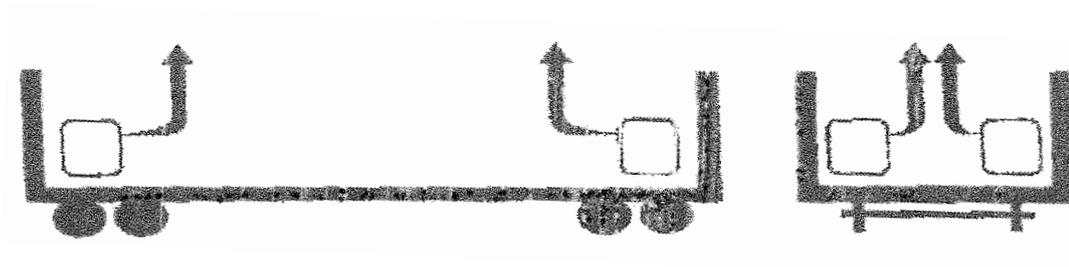


Unloading of the lower deck

C. Unload the middle part



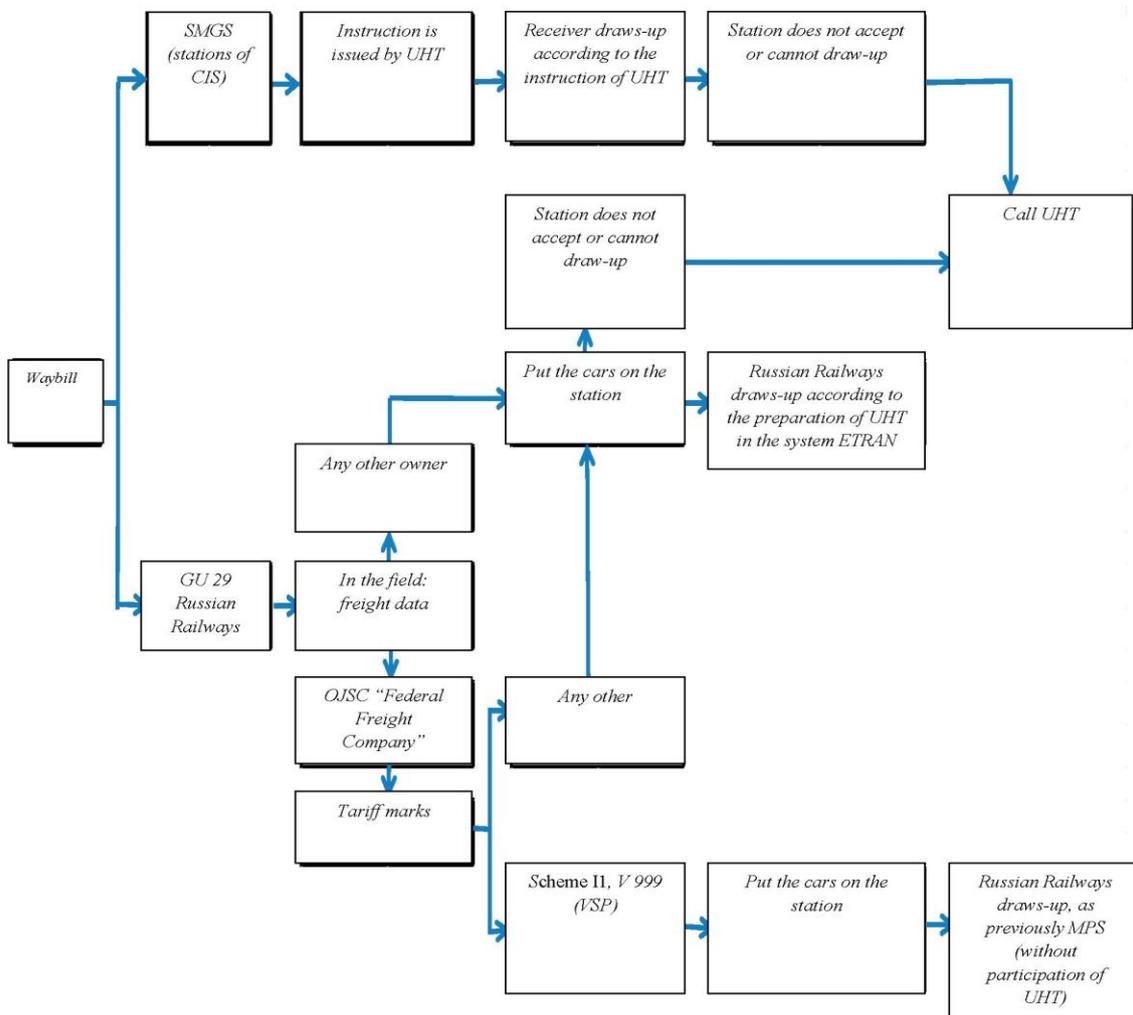
D. Unload, taking away from the board



**3. Execution of empty cars return.**

**3.1. Roadmap for empty cars return**

The rules of drawing-up of open cars and covered railroad cars coming to the Buyers of URALCHEM JSC



### **Explanation to the roadmap for empty cars return**

#### **1) Arrival of cars for unloading at the station of destination in the territory of the Russian Federation:**

##### **a) Open cars and covered cars of any belonging (owned / leased / operated)**

- After unloading the Consignee is obliged to expose cars on the station.
- After unloading at the Russian Railway stations cars are drawn up by means of the automated system ETRAN by the staff of URALCHEM-TRANCE, LLC or directly by the Consignee of cars according to the Instruction of URALCHEM-TRANCE, LLC (further – "Instructions"), at the same time the electronic waybill of the system ETRAN has to be issued before the date of arrival of cars on the station of unloading. The choice of a way of registration (in the system ETRAN or Instruction) is the right of URALCHEM-TRANCE, LLC. When issuing a waybill directly by the Consignee of the cars, URALCHEM-TRANCE, LLC is not responsible for the terms of execution of the waybill and for the correctness of its filling.
- In the absence of the waybill / instruction the Consignee has the right to expose empty cars on the public way of the station for the idle time; expenses on the idle time are subject to compensation on condition of its documentary confirmation.
- In case of lack of the waybill in the system ETRAN or the Instruction for the date of arrival of loaded cars on the station of destination the Supplier has no right to present to the Consignee a penalty for the idle time of cars on unloading for the period before the expiration of the third day from the date of execution of transportation documents for return of empty cars in the system ETRAN or received from URALCHEM-TRANCE, LLC by means of e-mail and fax. The date of execution of transportation documents in the system ETRAN is defined according to the data of a system on time of execution of the waybill in the history of creation of the concrete transportation document. Readdressing of cars is made by forces and at the expense of the Consignee.

**b)** If it is necessary to reassign the cars, information about a new Consignee and destination station have to be provided no later than two working days before the arrival of the cars at the new destination station. Reassigning of cars is made by forces and at the expense of the Consignee. If it is necessary to reassign the loaded cars along the line across the territory of the Russian Federation URALCHEM-TRANCE, LLC is involved as the payer of a carrying payment for transportation of loaded cars. The expenses of URALCHEM-TRANCE, LLC connected with reassigning of loaded cars, the Consignee compensates directly to URALCHEM-TRANCE, LLC under the guarantee letter.

**c)** In case of reassigning of cars new waybills in the system ETRAN on return of empty cars are made out within two working days from the date of receipt of URALCHEM-TRANCE, LLC of information about a new Consignee and / or data about the station of new appointment, or new Instructions are submitted within the same time to the Consignee. At arrival of cars on the new station of destination earlier than this date penalties for idle time of cars on unloading are not exposed for the period before the expiration of the third day from the moment of execution of transportation documents for return of empty cars in the system ETRAN or providing the Instruction, only in case of performance by the Consignee of obligations for timely providing data on the new consignee and/or data on the station of new appointment. The time of execution of transportation documents for empty cars is defined according to data of the system ETRAN on time of execution of the waybill in the history of creation of the concrete transportation document. The choice of the way of registration (in the system ETRAN or the Instruction) is the right of URALCHEM-TRANCE, LLC.

**d)** The existing Rules of filling of shipping documents for the carriage of goods by railway transport allow drawing up empty cars:

- «to layover», with indicating in the waybill the name of the owner of ways of non-public use (layover) on the station of destination of the empty car (Order No. 258 the Ministry of Transport of the Russian Federation of 03.10.2011, Chapter 10, Paragraph 10.3);
- on the application of GU-12 form, indicating in the waybill the number of the agreed application of GU-12 form for the destination station of the empty car, separately for each owner of the cars.

The fact of registration of the empty car is confirmed by the paper waybill with the stamp of departure station or by the presence in the system ETRAN of the mark of the receiver of the departure station: "Accepted for transportation".

**e)** For any questions connected with registration of empty cars return you can contact the dispatchers of URALCHEM-TRANCE, LLC by phone +7(83361)9-34-53; 8-919-510-48-79 (24-h/7-day) or by e-mail Dispatcher@uralchem.com .

#### **2) Arrival of loaded cars at the station of the CIS and the Baltic under unloading:**

##### **a) Open cars and covered cars of any belonging (owned / leased)**

*Goods delivery cooperation instructions of Trading house URALCHEM, LLC to Buyers (Consignees)*

- After unloading the Consignee is obliged to expose cars on the station and to draw up empty cars in exact compliance to the provided Instruction.

- In the CIS and Baltic countries the cars after unloading are drawn up according to the Instruction provided by the staff of URALCHEM-TRANCE, LLC. The instruction is provided before the date of arrival of the loaded car on the station of unloading, and the Instruction can be changed one working day before the issuance of waybill for sending the empty car.

- In the absence of the waybill / instruction the Consignee has the right to expose empty cars on the public way of the station for the idle time; expenses on the idle time are subject to compensation on condition of its documentary confirmation.

- In case of lack of the Instruction for the date of arrival of loaded cars on the station of destination the Supplier has no right to present to the Consignee a penalty for idle time of cars on unloading for the period before receiving the Instruction. Instructions with details for sending empty cars from unloading are sent by means of e-mail and fax by the staff of URALCHEM-TRANCE, LLC or by the managers of Trading house URALCHEM, LLC.

**b)** In case of reconsigning of loaded cars information about a new Consignee and destination station must be provided no later than two working days before the arrival of the cars at the new destination station. Reconsigning of cars is made by forces and at the expense of the Consignee. The expenses of URALCHEM-TRANCE, LLC connected with reconsigning of loaded cars, the Consignee compensates directly to URALCHEM-TRANCE, LLC under the guarantee letter.

**c)** In case of reconsigning of cars new Instructions are submitted within two working days from the date of receipt of URALCHEM-TRANCE, LLC of information about a new Consignee and / or information about the station of new appointment. At arrival of cars on the new station of destination earlier than this date penalties for idle time of cars on unloading are not exposed for the period before receiving instructions from the Consignee, only in case of performance by the Consignee of obligations for timely providing information on the new consignee and/or data on the station of new appointment.

**d)** The fact of registration of the empty car is confirmed by the paper waybill with the stamp of departure station.

**e)** For any questions connected with registration of empty cars return you can contact the dispatchers of URALCHEM-TRANCE, LLC by phone: +7(83361)9-34-53; 8-919-510-48-79 (24-h/7-day) or by e-mail Dispatcher@uralchem.com. In addition, on working days, you can contact the responsible officer for the preparation of instructions for returning of empty cars from unloading by phone +7 (83361) 4-09-55 or by e-mail Olga.Lapteva@uralchem.com.

**3)** In case of a claim of the Buyer (Consignee) about lack of documents for return of empty cars after unloading the Buyer has to direct a written claim with the following documents:

- 1) the act of the general GU-23 form with the indication of the time of statement and the time of removal from idle time;
- 2) the sheet of giving and cleaning of cars of GU-46 form;
- 3) FDU-92 form «cumulative list»;
- 4) invoice;
- 5) the copy of the document confirming payment by the Buyer of Trading house URALCHEM, LLC of the amounts claimed by the Russian Railways.

The specified documents have to be provided in the form of duly certified copies.

#### **4. Cars' acceptance, action plan of the Consignee in case of a claim by quantity of the delivered Goods**

For appropriate acceptance of cars the Consignee has to:

**4.1.** Inspect each car, check the presence on the car of the Consignor's seals, the condition of the seals, the presence of an impress on the seals, the condition of the car, and the package integrity.

**4.2.** Check the conformity of the Goods' name and the markings on the packaging with the data specified in the waybill.

**4.3.** In case of the Goods delivery in open cars to check a linking of the upper deck of big bags, compliance of number of big bags in the upper deck to the scheme of loading.

**4.4.** Recalculate the number of places.

**4.5.** Make weighing of the car on compliance of gross weight by the same method and in the way, as the Consignor (weighing of the car).

Scales have to comply with all necessary requirements in accordance with the "Operational manual and Technical Maintenance of Mass Measurement Instruments on the Railway Transport of the Russian Federation" dated October 28, 2002 No. CM-921.

**4.6.** In case of a discrepancy of number of places, weight, or spillage detection, notify Trading house URALCHEM, LLC by e-mail: [domestic@uralchem.com](mailto:domestic@uralchem.com). In this case, the Consignee is obliged to suspend further acceptance, to ensure the safety of the Goods.

Along with the suspension of acceptance, the Consignee is obliged to call for a representative of the Supplier / Consignor to participate in the continuation of acceptance of the Goods and drawing up a bilateral act;

**4.7.** The notice must indicate:

- a) name of the Goods, the date and number of the waybill, the car number;
- b) quantity of missing goods and the nature of shortage (the number of certain places, shortage while packing being intact, shortage in the damaged bag, etc.);
- c) condition of seals;
- d) value of the missing goods;
- e) time to which the acceptance of products by quantity is appointed.

**4.8.** The representative of the Supplier / Consignor shall leave for the place of acceptance of the Goods within three working days from the receipt of the call from the Buyer / Consignee.

**4.9.** In case the claim is unreasonable, the Buyer / Consignee undertakes to compensate to the Supplier / Consignor all expenses connected with a call of the representative (transportation costs, accommodation and food expenses, etc).

**4.10.** The Supplier/Consignor does not accept the claim in the following cases:

- unloading is made with violation of paragraph 4.1;
- the complaint in the number of places is made after the start of the discharge.

*Claims by quantity are accepted only if the Goods packing is undisturbed (not opened car, bag, big bag).*

*Claims for quality are accepted only if packaging is unopened.*

## **5. Conditions of providing with transportation for loading by the Buyer / Consignee by deliveries on the terms of selection from a warehouse of the Consignor (ex works)**

**5.1.** The buyer and (or) persons authorized by him have to:

- send for loading serviceable and suitable for loading Goods vehicles;
- send vehicles for loading the Goods that correspond to the volume of the Goods declared for loading (taking into account the permissible loading capacity of the vehicle);
- provide control of observance of requirements for admissible weight and axial loads of the vehicles provided by Appendices No. 1, 2 to the Decree of the Government of the Russian Federation dd. 15.04.2011 No. 272 "Concerning approval of regulations of the road haulage " or other legislative instruments or regulations of the Russian Federation acting for date of giving of the vehicle for loading;
- determine independently a vehicle route taking into account possible temporary restrictions or the termination of the movement of vehicles along highways and also consider the requirements established by the current legislation of the Russian Federation regarding movement along highways of the heavy and (or) full-size vehicle and also the vehicle transporting dangerous goods.

**5.2. The buyer and (or) persons authorized by him when transporting Goods are obliged to observe:**

- traffic Rules of the Russian Federation;
- Federal law dd. 08.11.2007 № 259-ФЗ «The Charter of motor transport and city ground-based electric transport»;
- Rules of transportation of separate types of goods (including dangerous) by motor transport;
- other existing regulations of public authorities and local governments including setting restrictions of the movement of vehicles along highways.

## Annex № 1 – application form for the purchase of Goods

## APPLICATION FOR PURCHASE AND SHIPPING OF GOODS

1	Supplier	
1.1	Supplier name	Trading house URALCHEM, LLC
2	Buyer	
2.1	Buyer name (full and abbreviated)	
2.2	Location and postal address of the Buyer (post code, name of the region, republic, district, city, village, street, house number, office number (or apartment), contact phone number)	
2.3.	Business ID, TIN(taxpayer ID number), RRS(registration reason code)	
2.4.	Full name of the head, position, the document, on the basis of which acts	
3	Consignee	
3.1	Consignee name (full and abbreviated)	
3.2	Location and postal address of the Buyer (post code, name of the region, republic, district, city, village, street, house number, office number (or apartment), contact phone number)	
3.3	Shipping Details of the Consignee, including:	
3.3.1	Destination Railway (name and code)	
3.3.2	Destination station (name and code)	
3.3.3	OKPO code, TIN/RRS, consignee code for railway	
3.3.4.	Rail siding	
4	Goods name	
5	Product Quality Indicators	
6	Quantity of Goods	
7	Unit price	
8	Units of measure of quantity of Goods	
9	Packing	
10	Delivery Time (Delivery Date)	
11	Supply contract number and date	
In case supply contract between Trading house URALCHEM, LLC and the Buyer is not concluded, clause 11 remains blank. In this case it is necessary to specify the data of the Buyer ( <u>not the Consignee</u> ) in the table below.		
1a	Full name of the Buyer	
2a	Business ID, TIN(taxpayer ID number), RRS(registration reason code)	
3a	Full name of the head, position, the document, on the basis of which acts	
4a	Location (legal address)	
5a	Actual (postal) address	
6a	Phone /fax	
7a	e-mail	
8a	Current account	
9a	Correspondent account	
10a	BIC	
11a	Bank name	

Submitting this application:

- In case of confirmation of the application by the Supplier we ask to issue an invoice for prepayment of Goods which we undertake to pay in full before \_\_\_\_ inclusive.

- We confirm that the non-payment of the invoice issued by the Supplier will be failure to follow the undertaken obligations and unfair behavior. We understand that the non-payment of the invoice / violation of the invoice payment terms entails liability, including, but not excluding, the Supplier's refusal to fulfill obligations to deliver the Goods, the Supplier's right to terminate the relationship with the Buyer under the present application in the future;

- We confirm readiness to get and accept the Goods, to sign the supply contract and specifications no later than 2 (two) working days from the moment of receiving of the documents from the Supplier by e-mail;

- We confirm acquaintance and agreement with the Goods delivery cooperation instructions of Trading house URALCHEM, LLC to Buyers (Consignees), with trade policy of Trading house URALCHEM, LLC in relation to sales of mineral fertilizers on the Russian market, posted on the website <http://www.uralchem.ru/products/order>;

- We accept the condition that obligations of the Supplier for Goods delivery arise only after receipt of 100% of prepayment for the settlement account of the Supplier, on condition of receiving the scan copies signed by the Parties of the

Supply contract and specification to it. From the moment of the conclusion of the supply agreement and the specification thereto, the conditions determined by the Parties in the agreement and the specification are valid.

Full name of the head

Signature stamp

Notes:

1. After paying the invoice (note: the invoice has a validity period), the Buyer informs Trading house URALCHEM, LLC about the invoice payment date by email / fax / phone.
2. For shipment of the Goods, a telegram should be sent from the station of destination to the station of departure by rail link about the readiness of the station of destination to receive the Goods. For shipment in open cars in addition in the telegram it has to be specified that cleaning of open cars is guaranteed. Please, specify the following telegram text:  
«Station *write the name of the destination station* agrees to accept the Goods (mineral fertilizers) for *write the exact name of the consignee (abbreviated or full)*. We guarantee cleaning of open cars after unloading (*write if the Goods are delivered in open cars*) ».
3. **All fields of the application have to be filled. If any field is not filled in (except for paragraph 11 in the above-stated case), the application is considered invalid and is not admitted for examination.**