

ARTICLE III

In consideration of the above undertaking, both Parties agree that the following payment terms shall apply to sales and purchases made under the provisions of this Agreement. Payment shall be by credit and the following terms shall apply:

- (a) The contract price will be expressed in Canadian dollars and the financing provided in the same currency. However, at Buyer's option exercised by the notice issued not later than one month before each shipment, the financing will be provided in U.S. dollars and consequently, the value of the respective shipment converted into that currency. For the purpose of the conversion the noon rate of the Bank of Canada for U.S. dollars on the day of the Buyer's notice will be applied.
- (b) Bills of Exchange (Drafts) covering 100 percent of the F.O.B. invoice value shall be prepared by the Seller and forwarded along with shipping documents for acceptance by Rolimpex and guaranteed by the Bank Handlowy w Warszawie S.A., Warszawa, as set out hereunder:
- 33.333 percent of the F.O.B. St. Lawrence/Churchill Atlantic/Pacific Coast Port value of each shipment shall be available against draft payable in Montreal in the case of Eastern shipments and Vancouver in the case of shipments from the West Coast, in Canadian dollars or U.S. dollars respectively, 24 months from the date of each Bill of Lading.
- 33.333 percent of the F.O.B. St. Lawrence/Churchill Atlantic/Pacific Coast Port value of each shipment shall be available against draft payable in Montreal in the case of Eastern shipments and Vancouver in the case of shipments from the West Coast, in Canadian dollars or U.S. dollars respectively, 30 months from the date of each Bill of Lading.
- 33.334 percent of the F.O.B. St. Lawrence/Churchill Atlantic/Pacific Coast Port value of each shipment shall be available against draft payable in Montreal in the case of Eastern shipments and Vancouver in the case of shipments from the West Coast, in Canadian dollars or U.S. dollars respectively, 36 months from the date of each Bill of Lading.
- (c) The Bank Handlowy w Warszawie S.A., Warszawa, shall issue and transmit to the Seller a Letter of Guarantee that the Bills of Exchange referred to in paragraph (b) above will be guaranteed by the Bank Handlowy w Warszawie S.A., after acceptance by the Buyer.
- (d) After the loading of the grain the Bills of Exchange drawn by the Seller shall be sent by him to Rolimpex, for acceptance and obtaining of the guarantee of the Bank Handlowy w Warszawie S.A., Warszawa. Completed Bills of Exchange shall be returned to the Seller within 15 (fifteen) days after receipt of the Bills of Exchange by Rolimpex.