

COCHRAN LTD

ORDER AND LETTER OF CREDIT REQUIREMENTS

The following information is essential at time of placing an Order and establishing a Letter of Credit.

- 1) Full name and address of your Banker.
- 2) The Letter of Credit should be payable in favour of:-
Cochran Ltd
Newbie Works
ANNAN
Dumfriesshire
Scotland
DG12 5QU
- 3) The Letter of Credit should be **CONFIRMED** by a Bank in the United Kingdom. It must be **IRREVOCABLE** and made out for the total agreed Contract Price or balance of outstanding Contract Price should a deposit payment be made with Order.
- 4) The Tender reference number and date must be shown on the Letter of Credit to enable us to associate this with the particular project involved without delay. Please stress the importance of this item to the Bank.
- 5) The Letter of Credit should be opened immediately an Order is placed. It should be noted that any deposit payment made with Order will only allow us to commence work up to this value at which point the Letter of Credit must be received to ensure no delay to the tendered lead time. Typically the Letter of Credit should be received no later than two weeks after receipt of deposit.
- 6) The 'latest shipment date' given on the Letter of Credit must take account of the time required to establish the credit (please consult with your Bank) PLUS the agreed equipment lead time in accordance with our tender PLUS a further two weeks (minimum) to arrange shipment.

The 'expiry date' given on the Letter of Credit must be a minimum of four weeks after the 'latest shipment date'.

When final inspection by a third party and/or shipment is arranged other than by **Cochran Ltd** the following clauses **MUST BE** included within the Letter of Credit.

"Upon the Purchaser having been advised that goods are ready for Inspection/Shipment by the Seller in writing and no instructions are received concerning dates for inspection/shipping within 10 days.

The Seller may satisfy the requirements of this credit by presentation of the following documents:-

- a) Copy of notification of readiness for Inspection and/or shipment to Purchaser.
 - b) Third Party Certificate (Bureau Veritas Inspection Limited) that the goods are in full compliance with the Purchaser's Order and ready for Inspection/Shipment.
 - c) Cochran's declaration that the goods are in compliance with the Purchaser's Order and that on receipt of payment the goods will be identified as the property of the "Purchaser".
- 7) The Letter of Credit should state that delivery is allowed from "United Kingdom Port".
 - 8) The Letter of Credit should state that bank charges for any amendments or alterations are for the opener's account. It is understood, however, that any alterations necessary or directly attributable to our specific requirements will be for our account.
 - 9) Any other special terms and conditions relevant to the contract should be clearly stated.
 - 10) Letter of Credit opened in favour of Cochran Ltd must be in accordance with Uniform Customs and Practice for Documentary Credits, 1993, as sponsored by the International Chamber of Commerce.