

Standard Operating Procedure PPE

STANDARD OPERATING PROCEDURE- SALE OF NITRILE GLOVES

From Pre-sale to Delivery

This document has been prepared as a synopsis of the process and terms under which you will be doing business with us. It is not a legal document and does not provide anything more than an indication of our Standard Operating Procedures. IFFC Services does not provide Insurance or funding for International Trade Finance and will include the costs of any such services in the price quoted to the Buyer.

IFFC Services (ACN 169 505 720) is the entity you will be contracting with: We have been established under the current management both in London and Asia since the late 1980s, and have successfully completed many hundreds of transactions for the supply of PPE, FMCG and Skincare products in and out of Asia.

We have long established relationships in China and most South East Asian countries and have our own subsidiary Company (IFFC Trading Shanghai Ltd) which is a Shanghai registered company with full impex certification. Our local team in Australia contains fluent Mandarin speakers. We operate through a private group of businesses which are held under a family trust structure based in Australia. The ultimate owner of our Company is Strongtower (Australia) Pty Ltd.

We work with Global Freight experts throughout the world and have been working with the same group for over 20 years.

We have formed an alliance with a Global Insurance provider and a panel of funders to support and assist your purchase (where required) at a transactional level.

The process of the purchase is generally as follows:

You will tell us what your specific requirements are

You will tell us if you prefer a specific Factory Brand, Eg. SKYMED, CRANBERRY, Vglove, WIMAX. We have operational relationships with most of the legitimate factories in Malaysia, Thailand, Vietnam and China.: The state of the global PPE demand has made this a sellers- market, as demand is far outstripping supply.

Our role is to provide you with the most cost effective and appropriate options for you which includes,

- Specifications: (Sizes S,M,L,XL)
- Material: Nitrile, Powder free, Latex free, Chemotherapy etc.
- Certifications: (FDA, CE, Etc.)

- Bespoke packaging (Printing)

You will tell us if we are to handle all your logistics from our Factory to your country in which case we will engage United Cargo Management (<http://ucmchs.com>) and the logistics costs will be included in our price to you.

You will tell us and provide simple evidence that if we were to delivery your order to you today that you are ready willing and able to pay for the goods in full. The format of this can be your most recent Bank statements (no more than 3 days old) or a letter from your Bank confirming availability of funds for the Transaction

Financial Pre-cursors:

It is a condition precedent that the buyer must be able to demonstrate the ability to pay the price quoted by our team:

Buyers will receive a price from us following their notification of the following and completion of the below table. If anything is missing from this table, the Business Development team will not be able to secure your price

Client Name			TELEPHONE	EMAIL
Registered Address				
Directors Names				
Bankers				
Quantity Required			Over What period	MONTHS
Factory Preference if available			Frequency of Delivery	

We cannot quote you a firm price until we have the information required above and, on the Table, below

Invoice terms	FOB	EXW	OTHER	Please advise	
Deposit & Balance by TT				YES / NO	
Letter of Credit (FOB)				YES / NO	

Finance Terms: Do you seek any post-delivery credit period				YES / NO: Note delivery other than EXW or FOB require Finance Terms	
EG: Payment to be made on receipt in home Port				YES / NO	
CREDIT TERMS REQUIRED				30 DAYS / Other	
SECURITY YOU CAN PROVIDE TO FUNDER WHILE GOODS ARE IN TRANSIT	LC	ESCROW	BANK GTEE	Other	

Buyers have the option to purchase the products in several ways:

By TT Deposit with Balance payable on Shipment

By at Sight Transferrable Letter of Credit

By utilising a panel of Funders and our global Underwriters

For Option 1.

By TT and Balance by TT Underwritten with the buyers Bank Instrument if required

1. The Buyer provides all the information as set out above and IFFC Services prepare a Sales and Purchase Agreement for the buyer to review
2. Buyer provides Letter of Intent
3. The Buyer reviews the SPA to ensure that the requirements are full documented.
4. IFFC will provide a costed schedule for the Buyer which identifies the fixed unit cost for the commodity including all services selected NB: The Factory enters into a back to back contract with IFFC Services allowing IFFC Services to commit the order into the production slots allocated by the Factory.
5. If buyer is purchasing IFFC Services Inventory (OTG) price is fixed at the time of sale)
6. IFFC Services can provide a price matrix with options for: EXW, FOB, C&F, CIF or DAP (Delivery to your nearest Port) (NB Our Logistics partner can arrange all local and last mile deliveries for you).
7. Buyer provides confirmation that their own Bankers will issue an irrevocable undertaking (Stand By LC, Bank Guarantee etc) to pay the entire order value pro-rata on shipment (Bank Confirmation Letter RWA) if required.
8. (NOTE Government Buyers must produce an Irrevocable Government Purchase Order which will be validated by IFFC Services' local Agents and separate arrangements exist if the Government buyer requires delivery to overseas destination)
9. The Buyer side will pay the agreed Deposit as set out in the Sale & Purchase Agreement and produce a Bank Instrument drawn on a reputable domestic or International Bank, that guarantees the buyers obligations to pay on receipt of the Bill of Lading at the Origin Port. **
NOTE: It is possible for the Buyer to use IFFC Services to underwrite the payment using an Insurance Underwriter.
10. Goods are produced in accordance with the SPA
11. Payments are made by the Buyer prior to goods being despatched from Origin.
12. Goods are shipped in Tranches as set out in SPA with Payments Pro Rata, Initial deposit will be held for subsequent shipments

For option 2.

At Sight Transferrable Letter of Credit

- 1) The Buyer provides all the information as set out above and IFFC Services prepare a Sales and Purchase Agreement for the buyer to review
- 2) Buyer provides Letter of Intent
- 3) Buyer provides confirmation that their own Bankers will issue an Irrevocable at Sight letter of Credit in a proscribed format acceptable to IFFC Services (UCB600) undertaking to pay the entire order value when the goods are produced and are made available FOB or EXW (Bank Confirmation Letter RWA)
- 4) NOTE: The UCP 600 (“Uniform Customs & Practice for Documentary Credits”) is the official publication which is issued by the International Chamber of Commerce (ICC). It is a set of 39 articles on issuing and using Letters of Credit, which applies to 175 countries around the world, constituting some \$1tn USD of trade per year.
- 5) The Buyer reviews the SPA to ensure that the requirements are full documented.
- 6) IFFC will provide a costed schedule for the Buyer which identifies the unit cost for the commodity including all services selected NB: The Factory enters into a back to back contract with IFFC Services allowing IFFC Services to commit the order into the production slots allocated by the Factory.
- 7) If buyer is purchasing IFFC Services Inventory (OTG) price is fixed at the time of sale)
- 8) IFFC Services provides a price matrix with options for: EXW, FOB, C&F, CIF or DAP (Delivery to your nearest Port) (NB Our Logistics partner can arrange all local and last mile deliveries for you).
- 9) (NOTE Government Buyers must produce an Irrevocable Government Purchase Order which will be validated by IFFC Services’ local Agents and separate arrangements exist if the Government buyer requires delivery to overseas destination)
- 10) The Buyer side Bank must provide an Irrevocable At Sight Letter of Credit drawn on an established International Bank which covers all amounts due under and as set out in the Sale & Purchase Agreement. (**NOTE: It is possible for the Buyer to use IFFC Services to underwrite the LC drawn on a regional or secondary Bank using our Global Insurance team.)
- 11) The Buyers Bank must be able to transmit Authenticated authorisation codes BANK to BANK to IFFC Services Bank using the SWIFT System that irrevocably guarantees the buyers obligations to pay on receipt of the specified documents including the Bill of Lading at the Origin Port.
NOTE***: Until clearance codes have been received by IFFC Services Bank goods will not be released.
- 12) Goods are produced in accordance with the SPA

- 13) When production is completed by the Factory, documents will be sent by the Factory to IFFC Services Bank who will check the same. If they are fully compliant with the SPA and the terms of the LC, IFFC Services will send the required documents to the Buyers Bank to arrange payment.
- 14) In the event of any discrepancy in the Documents produced by the Factory and provided to the Buyers Bank by IFFC Services these will be notified by IFFC Services to the Buyer prior to despatch to the Buyers Bank. The Buyer shall have the option either to accept the discrepancy or to reject. In the event the documents are compliant in every respect, the Buyer will not have the Option to reject the documents.
- 15) Once the Buyer has accepted that the terms of the SPA and LC have been met, The Buyers Bank will send Authorisation codes to IFFC Services Bank confirming that funds are moving.
- 16) The Documents provided will be:
 - a) Bill of Lading marked Freight Collect
 - b) External Testing certificates if required (SGS, TUV etc)
 - c) Commercial Invoice
 - d) Any other documents agreed between the parties in the SPA and LC.
- 17) Payments are confirmed by the Buyers Bank to IFFC Services Bank prior to goods being despatched from Origin.
- 18) Goods are shipped in Tranches as set out in SPA

For option 3.

At Sight Transferrable Letter of Credit or Other Acceptable Security- this transaction will always include full logistics service which provides for the following to be provided by our Logistics partner UNITED CARGO MANAGEMENT and other members of the MARCO POLO International Logistics Network.

- Checking of Goods at Factory
- Reporting on container packing (photographs or POL Video)
- Recording container Seals used on consignments and reporting the same
- Physical Security of consignments from time of container filling (stuffing)
- Supervision of movement of consignments to Port of Origin
- Issue of House Bill of Lading
- Booking sea freight or air freight by most cost-effective means
- Unloading Containers at Destination Port for Collection by Buyer
- (Additional service can be provided to unload container, repack on pallets and deliver goods after acceptance these costs are not included in the price agreed between the parties).

In the event that the Buyer requires the goods to be delivered to their home port, prior to releasing funds to IFFC Services, we have planned for external funders to provide funding for qualified buyers. In order to use this service the Buyer must provide an acceptable form of security to the Funder appointed by IFFC Services.

If the Funder does not accept the security, and an insurance cannot be provided by our Insurance Broker to protect their exposure the transaction will not proceed.

The Buyer may wish to use the services of their own local Bank who is uncomfortable or inexperienced with the details of an International Trade Finance transaction, or they may want to use another form of security which when combined with resources of an external funder (appointed by IFFC Services) who finances the despatch of the goods from the Factory to the Buyer. This arrangement is enshrined in the SPA.

In some circumstances the Funder may want to an Insurer to underwrite the performance of the Buyers Bank – The funder will notify IFFC Services and the Underwriter will conduct a Due Diligence to provide insurance for the buyer. This will be included in the aggregate unit cost provided by IFFC Services.

If the Buyer is a larger entity (eg. A Publicly Quoted Company) and would prefer not to open an LC but would rather rely upon their own credit standing to discharge the purchase price, or to provide another form of security acceptable to the Funder, the Underwriter will provide a Due Diligence report to the Funder and if required will execute a policy of insurance to underwrite the payments the funder is making on behalf of the buyer.

- 1) The Buyer provides all the information as set out above and IFFC Services prepare a Sales and Purchase Agreement for the buyer to review
- 2) Buyer provides Letter of Intent
- 3) Buyer provides confirmation that their own Bankers will issue an Irrevocable at Sight letter of Credit in a proscribed format acceptable to the Funder (UCB600) undertaking to pay the entire order value when the goods are produced and are made available in the Destination Port
- 4) Buyer reviews the SPA to ensure that all their requirements are fully documented including the aggregate cost of:
 - a) any Insurance Premia for Goods in Transit,
 - b) Insurance Premium for Goods in Transit Insurance
 - c) Funding costs
 - d) the cost of Freight from Factory to destination Port, .
- 5) IFFC will provide a single schedule for the Buyer which identifies the unit cost for the commodity including all services required and or selected
- 6) The Factory enters into a back to back contract with IFFC Services allowing IFFC Services to commit the order into the production slots allocated by the Factory.
- 7) If buyer is purchasing IFFC Services Inventory (OTG) price is fixed at the time of sale)
 - i) IFFC Services provides a price matrix with options for :EXW, FOB, C&F, CIF or DAP (Delivery to your nearest Port) (NB Our Logistics partner can arrange all local and last mile deliveries for you).
- 8) Government Buyers must produce an Irrevocable Government Purchase Order which will be validated by IFFC Services' local Agents and separate arrangements exist if the Government buyer requires delivery to overseas destination prior to payment being made) The price will include the costs of funding, freight, GIT Insurance and credit Insurance if required
- 9) The Buyer side Bank must provide an Irrevocable At Sight Letter of Credit drawn on an established International Bank which covers all amounts due under the LC and as set out in the Sale & Purchase Agreement.

ACCEPTANCE BY UNDERWRITER & FUNDER

- 10) Once accepted, Buyer's Bank will provide an irrevocable undertaking from their financial institution to make the payment to the Funder on the agreed Invoice terms

- 11) Funder will undertake Bank to Bank due diligence on the veracity of the Financial Instrument supporting the promissory note
- 12) The beneficiary of the LC will be The Funder
- 13) The Buyers Bank must be able to transmit Authenticated authorisation codes BANK to BANK to The Funders Bank using the SWIFT System that irrevocably guarantees the buyers obligations to pay on receipt of the specified documents provided to the Buyer before the goods are shipped.
- 14) The Funder will enter into a binding Agreement to discharge all costs set out in the SPA upon receipt of Shipping documents as set out:

The Documents provided will be: Bill of Lading marked Freight Collect

- a) External Testing certificates if required (SGS, TUV etc)
 - b) Commercial Invoice
 - c) Any other documents agreed between the parties in the SPA and LC.
- 15) Goods are produced in accordance with the SPA
 - 16) When production is completed by the Factory, the required documents will be sent by the Factory to the Funders Bank who will check the same. If they are fully compliant with the SPA and the terms of the LC, the Funders Bank will send the required documents to the Buyers to confirm irrevocable acceptance
 - 17) In the event of any discrepancy in the Documents produced by the Factory and provided to the Buyers Bank these will be notified by IFFC Services to the Buyer prior to despatch to the Buyers Bank. The Buyer shall have the option either to accept the discrepancy or to reject. In the event the documents are compliant in every respect, the Buyer will not have the Option to reject the documents
 - 18) The Documents will be irrevocably approved and accepted by the Buyer before the consignment leaves the Factory if they are compliant and the obligation to pay the Funder for the goods will irrevocably crystalize
 - 19) Until clearance codes have been received by the Funders Bank goods will not be released at Destination unless the Funder and the Buyer have made separate arrangements outside the terms of the SPA.
 - 20) The Title to the goods will pass to the Funder when they are collected from the Factory, once The Funder has discharged the entire purchase price and freight and logistics costs
 - 21) Title to the goods will pass to the buyer on receipt by the Funder of the amounts outstanding
 - 22) Goods are shipped in Tranches as set out in SPA
 - 23) Funder will make payments pro rata to the size of each consignment
 - 24) The appropriate level of security provided by the Buyer to the Funder will be established by the Funder based upon the SPA terms for production