



DERIVATIVES IND. LTD.

RC: 346846

IBADAN FACTORY: PLOT 10, NEW OLUYOLE INDUSTRIAL ESTATE,
BEHIND O & A LIMITED, ALONG LAGOS-IBADAN EXPRESS ROAD, FELELE,
IBADAN. TEL: 02-2315992, 2313760. 2002072, 2002073. FAX: 02-2315294.
ANNEX: KM 42, LAGOS-ABEOKUTA EXPRESS, OWODE IJAKO BY DAWA
BUS-STOP, SANGO-OTA, OGUN STATE. TEL: 01-7948826.
E-MAIL: DERIVATIVES3@YAHOO.COM

22nd January, 2009.

Ref: DIL/AN/GS-09/011

Jerome Eronini (Nig) Ltd
4, Sylvia Crescent
Anthony Village, Lagos.

Dear Sir,

Sorghum Grains Supplies

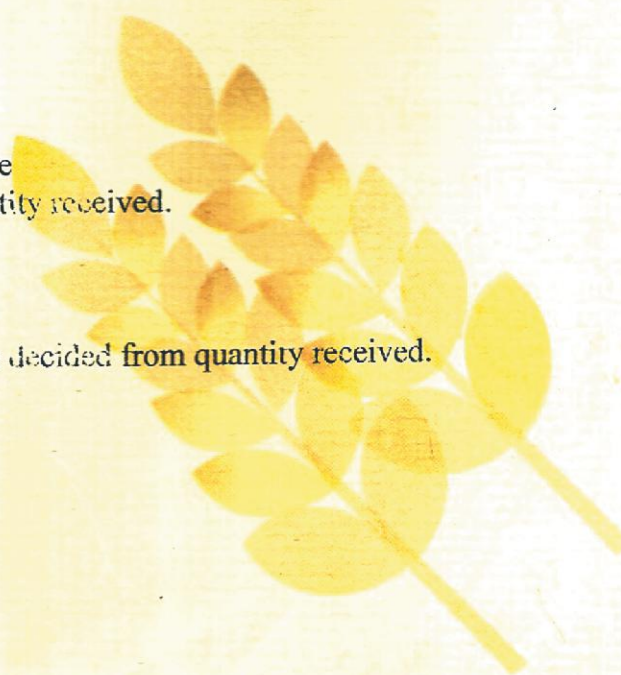
This is to inform you that you have been appointed as one of our supplies for 2008 harvest period. Below are the terms, conditions and schedule of delivery.

| Variety | Delivery Depot | Time / Validity | Quantity Alotted |
|---------------|---------------------|-----------------|------------------|
| White Sorghum | Sango - Ota Factory | 2 weeks | 150 Tons |

Payment: Two weeks after delivery

The grains must meet the following specifications:

- (I) **Variety:** White farafara (medium to large size)
Penalty: If it is small, it will be rejected.
- (II) **Moisture:**
Maximum: 10%
Rejection: 12%
- (III) **Dust -- Chaffs**
Maximum: Each completed percent above 1% to be deducted from quantity received.
- (IV) **Broken Grains**
Maximum: 1%
Penalties: Each completed percent to be decided from quantity received.



(V) **Percentage Premature Grains**

Maximum: 1%

Penalties: Each completed percent above 1% to be deducted from quantity received.

(VI) **Germinative Percent**

Minimum: 90%

Penalties: If batch germinative energy is low, acceptance will be our own prerogative.

(VII) **New/Old Crop**

Minimum: As per germinative % (2008 crop)

Penalties: If batch is new/old crop, acceptance will be our own prerogative.

(VIII) **Insects**

Specification: Free

Penalties: If batch is contaminated, it will be rejected.

(IX) **Moulds**

Specification: Free

Penalties: If batch is contaminated, it will be rejected.

(X) Any monthly allocation that is not completed on the last working day of the month, automatically becomes invalid and the balance MAY be validated if only the supplier has a genuine reason for his non-performance IF NOT the balance will be re-allocated to other suppliers where non-performance cannot be trace to any inadequacy on the part of derivatives Industries Limited.

(XI) Please try to find out availability of space and numbers of vehicles awaiting discharge at the receiving depot as Derivatives Industries Limited will not be liable for extra cost on demurrage and double handling except where agreed in advance.

(XII) The grains shall be tested by Derivatives Industries Limited Quantity Control Personnel who has the right to reject lots of grains that do not meet the Company's specification.

Yours faithfully,

For: Derivatives Industries Limited

Managing Director

