

QUARTERLY MOU SCHEME FOR 4TH QUARTER OF FY 2008-09 (PERIOD 01.01.2009 TO 31.03.2009) FOR SALE OF ALUMINIUM METAL IN DOMESTIC MARKET (Any customer, other than the active MOU customers who have not been disqualified as on 01.01.2009)

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding (MOU) is between M/s having its registered office at (first part) and M/s National Aluminium Company Limited having its registered office at Plot no.P/1, Nayapalli, Bhubaneswar-751013 and regional office at (second part) and is being signed on.....(date).

This memorandum of understanding will be governed broadly by the following terms and conditions :

1. The Quarterly MOU Quantity for the period 01-01-2009 to 31-03-2009 is _____ MT for M/s.
2. QUARTERLY MOU PERIOD, PRODUCTS & QUANTITY :
 - (a) PERIOD : 4th Quarter of the Financial Year 2008-09 (from 01.01.2009 to 31.03.2009).
 - (b) PRODUCTS COVERED : Aluminium Ingots, Sows, Billets, Wire rods, Cast Strips & Rolled Products.
 - (c) QUARTERLY MOU QUANTITY : Quarterly MOU Quantity signed for the 4th Quarter of 2008-09, subject to a minimum Quarterly MOU quantity of 54 MT.
 - (d) MONTHLY MOU QUANTITY : Quarterly MOU Quantity divided by 3 (Three).
3. Quarterly MOU quantity will preferably be signed by 15.01.2009.
4. FACILITIES / BENEFITS QUARTERLY MOU CUSTOMERS :
 - [A] Priority in dispatch /queue for QUARTERLY MOU Customers :

Quarterly MOU customers will get priority in dispatch. Considering the DI issuance date as 1st day and the turn of the Quarterly MOU customer does not come for dispatch of the specified product while making the program on the 2nd day for loading on the 3rd day, then the priority would be in terms of 50% of the DI outstanding quantity on the date of making the program (subject to availability of grade of metal mentioned in the DI). However, such priority will be restricted to the stipulated monthly MOU quantity only. There could also be an inevitable queue amongst the MOU customers/ quarterly MOU customers

depending on the DI quantum and the stock availability. To avoid such situation to the extent possible, the above priority would be limited to the quantity so dispatched to a particular party (with respect to a particular party code) / corporate body upto a maximum of 8 Trucks per day (including maximum of 4 trucks of Wire rods per day) for monthly MOU quantity less than 1500MT and upto a maximum of 12 trucks per day (including maximum of 6 trucks of Wire rods per day) for monthly MOU quantity \geq 1500MT.

However, in case of more metal availability after considering above, the additional metal could be given on priority to MOU customers and Quarterly MOU customers against their pending DIs but not more than their monthly MOU quantity. In case of metal availability after meeting monthly MOU quantity the additional metal upto 120% of monthly MOU quantity may be given to MOU customers and Quarterly MOU customers. Thereafter, material may be despatched to MOU, Quarterly MOU & Non MOU customers depending on their DI seniority.

[B].QUARTERLY MOU Customer Reward: This would be calculated considering the following:

(i) GRADED MOU REWARD:

Graded MOU Reward Percentage will be calculated as per table given below.

Sl. No.	Quarterly MOU qty	Monthly MOU qty	Monthly MOU reward in %	Quarterly MOU reward in %
(1)	(2)	(3)	(4)	(5)
(i)	$\geq 50 < 150$	$\geq 16.5 < 50$	0.24	0.36
(ii)	$\geq 150 < 600$	$\geq 50 < 200$	0.26	0.39
(iii)	$\geq 600 < 1500$	$\geq 200 < 500$	0.28	0.42
(iv)	$\geq 1500 < 3000$	$\geq 500 < 1000$	0.30	0.45
(v)	$\geq 3000 < 4500$	$\geq 1000 < 1500$	0.32	0.48
(vi)	$\geq 4500 < 6000$	$\geq 1500 < 2000$	0.34	0.51
(vii)	$\geq 6000 < 7500$	$\geq 2000 < 2500$	0.36	0.54
(viii)	$\geq 7500 < 9000$	$\geq 2500 < 3000$	0.38	0.57
(ix)	≥ 9000	≥ 3000	0.40	0.60

Eligibility for fulfilling Monthly quantity of the Quarterly MOU scheme – Minimum 90% of signed Monthly quantity.

Eligibility for fulfilling Quarterly MOU quantity – Minimum 100% of signed Quarterly MOU quantity.

On fulfillment of eligibility criteria for Monthly quantity and Quarterly MOU quantity graded MOU reward at the rate applicable on the signed quantity shall be paid for the quantity actually lifted multiplied by the weighted average basic price (ex-Plant) raised in favour of respective customers during the respective period.

The graded MOU reward for the month and for the quarter shall be paid preferably within 15 days from the expiry of respective month and the quarter by way of credit note.

(ii) Further, the Quarterly MOU customers shall be given a **4th Quarter Monthly Reward** of **Rs.1000/- per MT** on the actual quantity lifted during the month which shall be passed on after the end of each month subject to fulfillment of their monthly MOU eligibility criteria.

5. Basic price for the purpose of calculating the MOU Reward would be the Basic price ex-Plant, ruling on the date of dispatch.
6. All discounts & credit terms as applicable to the general category of customers would also be applicable to Quarterly MOU customers.
7. The price and the term and conditions for supply shall be as per the Company's policy declared from time to time by NALCO.
8. The Quarterly MOU customers are free to lift material for their various units located in different locations under different party codes as Corporate Sector. However, during operation of Quarterly MOU scheme, some of these Quarterly MOU customers (Corporate Sectors) may place orders from different units which are not included in the Quarterly MOU list at the time of signing of Quarterly MOU. For such Quarterly MOU customers (Corporate Sectors), new additional party codes may be incorporated in the original Quarterly MOU list in addition to the existing ones without changing the total Quarterly MOU quantity for such Quarterly MOU customers (Corporate Sectors), subject to their fulfilling required conditions and upon approval of Competent Authority

DISCLAIMER : This is a reward scheme for loyalty and consistency, benefit of which would accrue based on successful performance as stipulated in the scheme.

The memorandum of understanding has been entered into on the aforementioned date by the authorized representatives of both parties.

1ST PART

2ND PART

For _____

For NATIONAL ALUMINIUM CO. LTD.

By _____

By _____

Designation :

Designation :

