



## FRAMEWORK AGREEMENT FOR 2022

THIS FRAMEWORK AGREEMENT is dated March 8, 2022:

Between:

**CANPOTEX LIMITED**, a Canadian corporation with its principal office at Suite 700, 409 – 3rd Avenue South, Saskatoon, Saskatchewan, S7K 5R5, Canada, Facsimile (306) 653-5505 ("**Canpotex**" or "**Seller**"),

and

**SINOCHEM FERTILIZER MACAO LIMITED**, a Chinese company with offices at Avenida do Dr. Rodrigo Rodrigues, Nam Kwong Building, Flat H, 8/F, Macau ("**Buyer**"),

(Seller and Buyer are jointly called the "**Parties**" and separately a "**Party**".)

**WITNESS THAT** Seller and Buyer have concluded the present FRAMEWORK AGREEMENT FOR 2022 (hereinafter this "**Framework Agreement**") pursuant to which Seller agrees to sell and Buyer agrees to purchase the quantity indicated below of Muriate of Potash (the "**Product**" or the "**Cargo**") produced in Canada under the terms and conditions set out in this Framework Agreement. The Parties further acknowledge and agree that shall enter into a separate Export Contract, consistent with this Framework Agreement, which details further commercial/legal terms for the sale and purchase of Product.

### 1.0 QUANTITY

The Product to be supplied hereunder is as follows:

Total Quantity: 600,000 metric tons (which total includes both firm and mutual option quantities), +/-10% at Seller's option, consisting of one or more grades of Product.

Seller and Buyer agree that the 70,000 metric tons, +/-10%, of Product sold and purchased under Export Contract No. CXM-6222-MOP-SINOC-MAR dated March 3, 2022 between Seller and Buyer is included in the Total Quantity of 600,000 metric tons, +/-10 identified above.

### 2.0 PRICE

2.1 U.S. \$590.00/MT CFRFO in bulk for Red Standard Grade and the price for other grades will be further confirmed by the Parties.

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2.2 The price agreed upon shall be on a CFRFO discharge port basis. The term "CFR" shall be interpreted in accordance with the Incoterms 2010 published by the International Chamber of Commerce.

### **3.0 DURATION**

This Agreement shall become effective on the date when Sinofert Holdings Limited, Sinochem Macao's indirect holdings company, completes the approval process of the independent shareholders' meeting for this Framework Agreement in accordance with the Listing Rules of the Hong Kong Stock Exchange (no later than May 15, 2022) and remain in force for a primary term commencing on the above date and ending on the later of the date each Party completes full performance of its obligations hereunder and December 31, 2022, as such period may be extended by mutual agreement of the Parties. If Buyer fails to notify Seller that this agreement is in effect on or before May 15, 2022 by email, then this Agreement shall be null and void ab initio.

### **4.0 LOADING PORT**

The loading port for Product shipped hereunder shall be Vancouver, B.C., Canada, and/or Portland, Oregon, U.S.A., or such other port or ports as shall be designated by Seller.

### **5.0 DESTINATION**

The destination(s) of the Product shipped under this Agreement shall be for discharge at one or two main ports in China, which will be further confirmed by the Parties based on each shipment.

### **6.0 PAYMENT**

Buyer undertakes to open, an irrevocable, usance bank letter of credit in favour of Seller through a prime bank acceptable to Seller.

### **7.0 PRODUCT DIVERSION/RESALE RESTRICTION**

- 7.1 Buyer may not divert Product to destinations other than those agreed upon at the time of loading, without the prior written consent of Seller.
- 7.2 Buyer covenants and agrees with Seller not to directly resell the Product to purchasers outside the country of destination.

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## **8.0 PUBLIC INFORMATION**

Except as expressly required by law or the Listing Rules of the Hong Kong Stock Exchange, no information relating to this Agreement shall be published or divulged by either Party without first obtaining the written consent of the other.

## **9.0 FORCE MAJEURE**

9.1 All events and circumstances, for which the prevention is not within the control of the Parties hereto including unavoidable breakdowns (irrespective of their causes and duration), strikes and lockouts, fire damages, acts of authorities and any other usual events of Force Majeure shall, in the event that they prevent the delivery by Seller, or the taking of delivery or processing by Buyer, release the Parties hereto from their respective obligations pursuant to this Agreement for the duration of such contingencies and to the extent of the effects resulting therefrom.

9.2 If any such events listed above occur, the Party affected shall inform the other Party immediately indicating the nature of the event of Force Majeure and the approximate duration and extent of such contingency by registered air mail, a certificate of the Force Majeure issued by the competent government authorities or the chamber of commerce at the place where the Force Majeure occurs as evidence thereof. Moreover, the Party affected shall promptly make reasonable efforts to settle such contingencies so that the performance of obligations under the Agreement can be resumed as soon as possible.

## **10.0 ARBITRATION**

10.1 All disputes in connection with this Agreement or the execution thereof shall be settled amicably by negotiation. In case no settlement can be reached, the case under dispute may then be submitted to London for arbitration and decided under English Law.

10.2 The decision and award of the arbitration panel shall be final, binding and non-appealable. The fees and expenses of the arbitration shall be borne by the losing Party unless otherwise awarded.

## **11.0 GOVERNING LAW, JURISDICTION AND LANGUAGE**

Unless the Parties otherwise agree in writing, this Agreement shall be governed and construed in accordance with the laws in force in London, England. In the event of translation of this Agreement, the English version shall govern.



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## 12.0 ELECTRONIC SIGNATURES

This Agreement may be executed by original handwritten or digital signature and delivered by facsimile or electronic transmission.

## 13.0 AUTHORIZED SIGNATORY

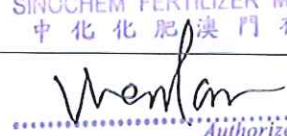

Each individual signing on behalf of a Party to this Agreement represents and warrants to the other Party to this Agreement that he or she is duly authorized and empowered to sign this Agreement on behalf of such Party.

IN WITNESS WHEREOF, the Parties hereto have signed this Framework Agreement as of the day and year first above written.

### CANPOTEX LIMITED

  
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Nicole L. Johnston  
Vice President  
Strategy and Sales Administration  
at Saskatoon, Saskatchewan, Canada

### SINOCHEM FERTILIZER MACAO LIMITED

*For and on behalf of*  
SINOCHEM FERTILIZER MACAO LIMITED  
中化化肥澳門有限公司  
   
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*Authorized Signature(s)*