



International Resources Group, L.L.C.

Procurement & Logistical Services

Introduction

IRG offers foreign based companies a U.S. based purchasing office in order to procure equipment, materials, and products under more cost effective terms.

IRG's focus for the procurement of materials and equipment has been the electrical industry. Our experience and market knowledge of the U.S. electrical and industrial manufacturing industries allows us to obtain competitive quotations for specified materials and equipment.

An added advantage of working with IRG is that we can offer the type of engineering assistance, market consulting, logistical services, and credit terms that no other company can offer.

Procurement Services

Our procurement services consist of several different programs created to offer the best possible service option according to the particular needs of the customer. The following pages provide an overview of IRG's Procurement Service Programs. Each program can be customized further to meet customer requirements.

Typical Procurement Service Transaction:

- a) Customer provides IRG with information regarding their specific requirement including:
 - A complete specification.
 - Available technical data.
 - Applicable drawings. (IRG can read all common CAD file formats.)
 - Available part number and approved manufacturer information.
 - Applicable photos.
 - Required Quantity Information
 - Required Delivery Information
 - Target Pricing Information
- b) IRG researches potential sources of supply negotiating to meet the Target Price provided by the customer. IRG provides the customer with samples as necessary to obtain approval for any new or alternate sources.
- c) IRG provides a complete quotation including:
 - Pricing.
 - Confirmation of technical details.
 - Delivery.
 - Logistical details.



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- Packaging information.
 - Freight forwarding costs.
- d) IRG receives and confirms customer purchase orders verifying delivery and logistical information. All orders are confirmed within 24 hours.
- e) IRG receives incoming orders from supplier, packages the shipment for export, provides container consolidation and packing as necessary, arranges for freight forwarding, and ships the product to the customer.
- f) IRG uses courier service to send export documentation to customer while also providing photographic verification of shipment packaging quality at time of shipment.

Standard Procurement Service Program Features Include:

- Logistical services coordinating all freight from supplier to IRG locations.
- Warehousing services up to 5,000 square feet at no additional cost.
- All export packaging for procured materials, components, and products.
- All container loading, packing, and freight forwarding management.
- All export documentation preparation.
- Photographic representation of shipment condition prior to departure.

Procurement Service Programs

1) Purchasing Agency Service

This service offers transactional based purchasing as required by the customer. With this service, the customer provides IRG with proper specification information for the required product along with the quantity required, delivery required, and target pricing. IRG will research potential sources of supply in order to provide a product offering that meets customer requirements and price targets. IRG's quotation will include our margin for the service provided while providing a competitive price. It is IRG's responsibility to negotiate a price including our margin that meets or beats the customer's target price.



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2) Purchasing Department Agreement

Under a purchasing agreement, IRG provides procurement services at a specified price structure based on a percentage of the dollar value of the individual transaction. This service provides the customer with the option of using IRG's services on a transaction by transaction basis if IRG can provide the most competitive service. The standard pricing structure is as follows:

<u>Dollar Value of Transaction</u>	<u>IRG Fee Percentage</u>
< \$ 1,000.00	20%
\$ 1,001.00 to \$ 5,000.00	15%
\$ 5,001.00 to \$ 10,000.00	10%
\$ 10,001.00 to \$ 100,000.00	5%
\$ 100,000.00 to \$ 250,000.00	3%
> \$ 250,000.00	2%

- Under this agreement, on a monthly basis, IRG provides the customer with all applicable documentation regarding each transaction including all supplier invoices, freight invoices, and related expenses for auditing by customer.
- IRG requires payment for each transaction prior to the due date of the negotiated terms of the supplier. If the customer would like longer credit terms, IRG could arrange a financing program to meet the customer's requirements.

3) Purchasing Office Contract

Under a purchasing office contract, IRG acts as an exclusive purchasing office for the customer handling all purchasing for products purchased in the United States. In exchange for the exclusivity contract, IRG sets the fee percentage based on the annual purchasing volume of the customer. This service provides the customer with the most cost competitive pricing structure, but requires a minimum volume of \$ 1 million per year. The standard pricing structure is as follows:

<u>Dollar Value of Annual Purchases</u>	<u>IRG Fee Percentage</u>
\$ 1,000,000.00 to \$ 10,000,000.00	5%
\$ 10,000,001.00 to \$ 25,000,000.00	3%
\$ 25,000,001.00 to \$ 50,000,000.00	2%

In addition to IRG's fee percentage, expenses billed to the customer include:



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- Export documentation courier service.
- Incoming freight to IRG location.
- Outgoing freight expenses, forwarding fees, related taxes and duties.
 - Under this agreement, on a monthly basis, IRG provides the customer with all applicable documentation regarding each transaction including all supplier invoices, freight invoices, and related expenses for auditing by customer.
 - IRG requires payment for each transaction prior to the due date of the negotiated terms of the supplier. If the customer would like longer credit terms, IRG could arrange a financing program to meet the customer's requirements.
 - For transactions that exceed the credit line available to IRG, the customer must provide sufficient funds in advance or appropriate financing credit lines must be established.



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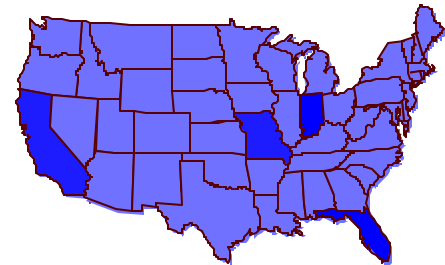
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Locations

IRG has locations across North America to serve our customers well. These locations include facilities in St. Louis, Chicago, Jacksonville, Miami, Monterrey, and Mexico City.

St. Louis Headquarters

International Resources Group, L.L.C.
2121 Walton Road
St. Louis, Missouri 63114 USA
Tel: (314) 726-5990 * Fax: (314) 726-5850



General Manager	Stephen Gund
Sales Manager	Arturo Romero

Miami Sales Office

IRG Detmot Division
International Resources Group, L.L.C.
P.O. Box 802321
Aventura, Florida 33280 USA
Tel: (305) 932-8168 * Fax: (305) 932-3814

Sales Manager - South America	Jorge Pulido
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Mexico City Sales Office

IRG de Mexico
Norte 24, # 24-3
Colonia Industrial
Mexico, D.F. 07800 Mexico
Tel: (525) 517-1164 * Fax: (525) 537-5552

Sales Contact - Mexico	Eduardo Marin
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Additional Warehouse / Factory / Assembly / Kitting Facilities:
(Facilities owned by IRG related companies.)

- Jacksonville, Florida
- Chicago, IL (Cedar Lake, IN)
- Monterrey, Mexico