

*Sale and Purchase Contract  
(For Export of DRI)*

**Contract No: Ei/98/06**

This contract (the “Contract”) is hereby agreed and executed by and between

**(1) Parties to the Contract**

**(a) The Buyer:**

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A company registered and existing under the laws of ----- registry No. -----  
at place of registry ----- with its address for all notifications, contact and service of  
process at: -----  
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**Tel:** -----

**Fax:** -----

**Email:** -----

**And**

**(b) The Seller:**

Golgohar Iron & Steel Development Co., private joint stock A company registered  
and existing under the laws of the Islamic Republic of Iran, registry No. 3136 in  
Sirjan, Kerman Province, Islamic Republic of Iran with its address for all  
notifications, contact and service of process at: Attention Foreign Trade Dept. No.  
22, 31th Alley, Alvand St. Argentina Square, Tehran, Iran

Tel: +98 – 21 / 88197673-4

Fax: +98- 21 /88 197672

**(2) Preamble, background and engagement in Contract**

Whereas the Seller is a producer of Direct Reduced Iron (**DRI**) and

Whereas the Seller has obtained all necessary and required licenses and permissions to sell and export such **DRI** in accordance with the laws and regulations of Islamic Republic of Iran.

Whereas the Seller is desirous to sell and deliver **DRI** to the Buyer and hereby makes an offer for such sale and delivery.

Whereas the Buyer has agreed to purchase the said **DRI** from the Seller in accordance with the terms of this contract;

Now therefore the Buyer and the Seller (collectively the “Parties” to this Contract) hereby agree to this Contract in accordance to its terms whereby the Seller hereby agrees to sell, deliver the Material (as hereinafter described in section 3 of this Contract) to the Buyer and subject to receipt of payment convey good, marketable and unfettered beneficial ownership and title, and concurrently the Buyer hereby agrees to purchase, make payment and pay, receive and accept the delivery the Material in a timely and commercial manner for such Material in accordance to the terms of this Contract.

### (3) *Material*

**DRI** in bulk to be loaded to the carrier nominated by the Buyer with typical specifications as follows:

<i>Item No.</i>	<i>DRI Properties</i>	<i>Typical</i>
<i>1</i>	Fe (Total)%	88.5±0.6
<i>2</i>	Fe (Metal)%	81.5±0.5
<i>3</i>	MD%	92±1
<i>4</i>	C%	>1.7
<i>5</i>	S%	0.009±0.003
<i>6</i>	P%	0.05±0.02
<i>7</i>	SiO <sub>2</sub> %	3.3±0.3
<i>8</i>	Al <sub>2</sub> O <sub>3</sub> %	0.8±0.2
<i>9</i>	CaO%	0.8±0.3
<i>10</i>	MgO%	2.2±0.4
<i>11</i>	TiO <sub>2</sub> %	0.12±0.04
<i>12</i>	Fine%(<4mm)	6±1

**Notice:** Seller has the right to reject or accept any tender documents submitted by bidders and just bidders' participating in the tender, does not provoke any right for them.

**Note: the sale can be delivered as partial shipment.**

**(4) Quantity**

Twenty five Thousand (25,000) dry-M/T  $\pm$  %10 in total, whereby the basis of sale and final invoice shall be evidenced by the loaded quantities at the loading place in Golgohar mine special road 5 kms, Shiraz road 50 kms, Sirjan, Iran based on FCA(Incoterms 2010) or FOB(Incoterms 2010) Iran-Bandarabbas, in accordance to the quantities stated in the relevant bill(s) of lading and as certified by the independent inspector and surveyor.

**(5) Delivery Period:**

Available for loading FCA (Incoterms 2010) Golgohar mine special road 5 kms, Shiraz road 50 kms or FOB(Incoterms 2010) Iran-Bandarabbas, Sirjan, Iran within 5 working days after receipt of down payment.

***If the buyer fails to make preparation to carry the cargo within the agreed period, then the seller has the right to cancel the contract & confiscate the bond guarantee for the subject cargo.***

**(6) Terms of Delivery**

(6)(1) Terms of Reference: Each Party's rights and obligations in relation to a Transaction shall be in accordance with Incoterms 2010 unless otherwise provided in this contract.

(6)(2) **Export Documentation:** Delivery of the Material is for the purpose of export from I.R. of Iran and the Buyer must facilitate the export of the Material and obtain all necessary and required documentation, permits and or waivers from the relevant authorities in Iran prior to the delivery of each lot of the Material.

(6)(3) **Place of Delivery:** Delivery shall be based on FCA Golgohar mine special road 5 kms, Shiraz road 50 kms, Sirjan, or based on FOB Iran-Bandarabbas.

(6)(4) **Conveyance upon delivery:** Save for Seller's claim for payment in full value of this Contract, the shipment shall be delivered to the Buyer free and clear of any other liens, encumbrances, or claims of any kind by third parties.

(6)(5) **Method of measurement of quantity:** All quantities delivered shall be measured by way of ..... as reported by the Independent Inspector and Surveyor (SGS S.A.) as further defined in Section 12 herein.

(6)(6) For fulfilment of contract obligations, buyer must be submitted 10 percent unconditional & extendable P.B.G to the seller after signing of contract. This P.B.G will be released after the termination of contract.

**(7) Unit Price**

(7)(1) The unit price per net M/T shall be denominated in Dollar, for calculation and for settlement of invoice.

(7)(2) The unit price per metric ton shall be calculated and invoiced based on the table below:

	<i>Unit Price (USD) per M/T</i>	<i>Quantity/Dry M/T</i>	<i>Total Price (USD)</i>
<b>FCA in sirjan</b>		<b>25.000</b>	
<b>FOB in bandarabbas</b>		<b>25.000</b>	

**Note:** The agreed prices is based on FCA Iran – Sirjan, Shiraz road 50 kms, Golgohar mine special road 5 kms or based on FOB Iran-Bandarabbas, according to Incoterms 2010. So all inland & abroad transportation to be borne by Buyer.

**(8) Payment:** Down payment and the remaining balance of each invoice shall be denominated in USD to the bank account outside or inside the country, which will be announced later. The currency in USD or IRR on seller's option shall be calculated by applying a conversion rate being spot rate of exchange as determined by www.tici.info two business days before the relevant payment date which will be finalized at signing date of contract. 30 % of the total contract value should be paid as a payment in advance to the Seller's account within five working days from closing date of tender. The remaining 70 % should be paid before loading of goods.

***If the buyer refuses to carry the cargo or part of that in agreed period because of a falling market price or so, seller has the right to confiscate his bond guarantee and the buyer must compensate the seller for all loss and damage from such a refusal to the seller's interest.***

**(9) Conveyance of Title and Beneficial Ownership**

It is expressly and hereby agreed by and between the Buyer and the Seller that good and marketable title to the Material shall only pass from the seller to the buyer when full and complete payment for the Material, and each Cargo Lot has been received by the Seller, and that until such time that payment has been received by the Seller, regardless of possession or location of the Material, full and unfettered title and beneficial ownership of the material shall be reserved to the Seller.

**(10) Possession for Risk of Loss**

For the purpose of insurance coverage and interpretation of possession, the material is deemed to be delivered to the Buyer, pro rata, when the material is loaded onto

the carrier nominated by the Buyer.

**(11) Survey & inspection**

(11)(1) Both the Buyer and the Seller hereby nominate SGS S.A. in Geneva (formerly Société Générale de Surveillance S.A.), or its local representative in Iran, as a mutually acceptable inspector and as an independent party to survey, inspect and report his findings in respect to the measurement of quality and quantity of the Material, retaining of samples and reporting of facts at the Loading place in strict conformity with this contract. The findings of the said inspector shall be binding upon both the Seller and the Buyer in respect to the findings of SGS.

(11)(2) All inspection charges of quality and quantity to be borne by Buyer.

**(12) Force majeure, contract frustration**

(12)(1) Except for payment, no event act or omission shall be deemed an act of default of either of the Parties to this Contract in respect to the other if such act, event, or omission is caused by circumstances reasonably beyond the control of the affected party. For the purpose of example and without limiting the generalities of the foregoing, any and all acts or events related to Acts of God, adverse weather conditions, storms, floods, earth quakes, fires, explosions, theft, breakdown of machinery or equipment or data or telecommunication systems, radioactive contamination, riots and civil commotion, military operations or war (whether declared or not declared or war-like conditions), bans, orders or embargoes of any government, de facto government or similar authority that could have jurisdiction over the said event, act or circumstance shall be amongst the causes whereby such act, event or omission shall be deemed to as a matter beyond the reasonable control of the affected party.

(12)(2) It is hereby mutually agreed by and between the Buyer and the Seller that in case of any of such events or circumstances described, the affected party must inform the other party as soon as it may be practically possible and the Parties shall enter immediately enter into good faith negotiations to assess the effects of such events or circumstances with view to finding a reasonable and equitable solution for both of the Parties and to mitigate any further loss of time or monetary damages.

**(13) Governing law of contract**

(13)(1) This Contract and the rights and obligations of the Parties arising therefrom shall be governed by and construed, enforced and performed in accordance with the laws of the Islamic Republic of Iran in respect to form, content, validity, interpretation and definitions contained in this Contract. All terms and definitions of INCOTERMS 2010 are hereby incorporated in this Contract.

(13)(2) The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to this Contract.

**(14) Language of Contract**

This Contract and all relevant communications, notices, documentation and exchange of information and interpretation of it in respect to this contract shall be in the English language as communicated and practiced in England. Any translation or interpretation of documents or instruments in any other language shall be duly translated and interpreted as it may be reasonably interpreted and understood in English.

**(15) Notices**

Notices shall be deemed to have been adequately served if sent to each Party's address and or telephone and or telefax as outlined below:

**To the Buyer:** -----

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**Tel:** -----

**Fax:** -----

**Email:** -----

**To the Seller:**

Golgohar Iron & Steel Development Co. (private joint stock) Attention Foreign Trade Dept. No. 22, 31th Alley, Alvand St. Argentina Square Tehran, I. R. of Iran

**Tel:** +98 – 21 / 88197673-4

**Fax:** +98- 21 / 88197672

All notices given under this contract shall be given as Notices in Writing. Each Notice in Writing shall be deemed given:

If sent by facsimile, telex or electronic means of communication, on receipt by the sending Party of evidence that the communication has been transmitted in full to the receiving Party, if received during ordinary business hours or by Noon of the next ordinary business day at destination; and or

If sent by courier, three (3) Working Days after dispatch thereof, and or

Each Party shall be entitled to record telephone conversations in connection with this Contract and such recordings may be used as evidence, if so permitted by local laws and regulations.

**(16) Confidentiality**

In relation to any transaction in this Contract, the identity of the Parties are private and confidential to the Parties and shall, save where disclosure is required by a regulatory governmental or judicial authority, not be disclosed to third parties.

**(17) Settlement of disputes**

(17)(1) In the absence of an amicable settlement of any unresolved issues or disputes, the following matters shall be referred to an independent expert ("Expert") for determination of:

(17)(1)(i) Any dispute as to whether an Invoice Amount (or pro-forma invoice) has been properly determined,

(17)(1)(ii) Any dispute in relation to any other sum payable under any provision of this Contract,

(17)(1)(iii) Any dispute in relation to the quantity or quality of the Material delivered and or the selection of the Primary Laboratory or the Referee Laboratory for such determination,

(17)(1)(iv) Any dispute relating to the basis of quantities loaded on board the carrier vessel, and

(17)(1)(v) Any other matter which the Parties agree should be referred to an independent expert for determination.

(17)(2) Where the Expert determines that any sum has not been determined in accordance with the relevant provisions of the contract, the Expert shall have full power to, and shall be required to, determine a replacement sum in accordance with the provisions of this Contract.

(17)(3) Where any matter is to be referred to an Expert, he shall be appointed by contract between the Parties or, in default of contract upon such appointment within 10 days of a Party notifying the other Party of its decision to refer the matter to an Expert, by the President for the time being of the Commercial Court in Tehran, Iran, upon the application of either Party.

(17)(4) The Expert shall, in his determination, aim to achieve the commercial intention of this Contract and the relevant Transaction in relation to matters referred to him. He shall act as an expert and not as an arbitrator and shall give his

determination in writing and, if practicable, within 20 days of the matter being referred to him. In the absence of manifest error, the determination of the Expert shall be final, conclusive and binding upon the Parties. The Parties shall share the costs of the Expert in determining the matter or matters in question equally unless otherwise determined by the Expert.

(17)(5) Apart from matters which are to be referred to an Expert pursuant to the foregoing provisions, disputes or claims arising out of or in connection with a Transaction and/or this Contract, including any questions regarding its existence, validity or termination, shall be referred to a panel of three arbitrators in accordance to the rules of the International Chamber of Commerce in Tehran, with any arbitration to be heard in the English language. Any decision or ruling arising from arbitration shall be binding on the Parties and an appeal to the commercial court under the provisions of Iranian Code of Civil Procedure is excluded.

### ***(18) Operations protocol***

After the signing of this Contract and prior to any payment by the Buyer, a memorandum of operational details and coordination by and between the Seller and the Buyer (or the Buyer's agent) shall be signed which memorandum shall outline the following main issues:

- (i) Schedule of shipments
- (ii) The proposal by the Seller and acceptance of same by Buyer.
- (iii) Operational, contract follow-up and finance contacts between the Seller and the Buyer, including their respective agents.
- (iv) Contacts with SGS as the independent surveyor.
- (v) Dates and hours of work and availability of the parties
- (vi) Vessel's local agents in Iran

### ***(19) Amendment***

Amendments may be made to this contract including the terms applicable to any Transaction by mutual contract of the Parties, but shall only become binding by written contract signed by each of the Parties or upon receipt of duly authorized Notice in Writing to that effect to each Party from the other.

### ***(20) Option on Netting out of claims against each other***

(20)(1) If it is found that any Shipment forms part of a series of shipments in any given Delivery Period that can be shown by any party to form a continuous circle of such shipments (a "Circle"), the Parties hereby express willingness to consider negotiating and entering into a Close-Out contract provided always that each party in the Circle has given or gives a similar undertaking, it being always understood that each Party hereto retains all rights to decline to enter into a Close-Out contract in its sole discretion and without any obligation to give any reasons for its action. Any such Close-Out contract shall be agreed and executed no later than five (5) days prior to the first day of the Delivery Period to which the Close-Out contract



relates.

(20)(2) Any amount received by one Party from the other Party shall be first applied to any past-due interest, if any, then to any interest due, if any, then to any principal amount past-due, if any, and then to the principal amount due and payable.

**(21) Assignment or Novation**

(21)(1) neither Party shall assign, transfer, novate, encumber, create an interest in or otherwise dispose of any rights or obligations under this Contract without the prior consent of the other Party by Notice in Writing, which consent shall not be unreasonably withheld or delayed.

(21)(2) Seller may assign, transfer, encumber or otherwise create an interest in any payment (“Payment Assignment”) due to Seller pursuant to Section 8 above. Where a party other than Seller, Seller shall, by Notice in Writing, advise Buyer thereof prior to issuance of Seller’s commercial invoice.

**(22) Cancellation clause**

Buyer and seller are obligated to perform the full contractual quantity within the contractual time frame.

No part of this quantity shall be subject to cancellation by the buyer and seller, other than those caused by the provisions stated under the clause of (force majority) or by mutual agreement of buyer and seller or in case of a material breach by either party by written notice, subject to the breaching party has failed to cure such breach within the time requested (minimum 30 days) in writing by the notifying party to do so.

**(23) validation**

The contract shall become valid as and when signed by duly authorized representative of both the seller and the buyer.

**(24) Agents**

Each Party may by Notice in Writing to the other Party appoint an agent to perform all or any part of its obligations under this Contract provided that the Party appointing the agent shall, subject to the provisions of this Contract, remain liable for all of its obligations hereunder and shall be directly responsible to the other Party in all respects for the acts of the agent. The expressions “Buyer” and “Seller” in this Contract shall be deemed to refer to Buyer’s agent and Seller’s agent respectively with respect to obligations and functions the agent is appointed to perform through the abovementioned procedures.

**(25) Rights and permission to contract**

All rights and permissions (including internal authorizations to enter, execute and

deliver the deeds and to continue the respective obligations under this Contract are obtained or exist.

There is legal and operative right to enter into this Contract by the signatories hereunder and no compliance with any law, regulation, license, internal permissions or authorities have been avoided or exceeded.

This Contract of 24 articles is signed, executed, and delivered on this \_\_\_\_\_ the day of \_\_\_\_\_ 2019, **A.D.**

***For and on behalf of “The Seller”***

***For and on behalf of “The Buyer”***

***Golgohar Iron & Steel Development Co., private joint stock***