

**Tender No. Ei/98/06**

**Terms Sheet  
and  
Instructions to Bidders**

The present document sets out the general information and instructions to bidders for international tender for the export sale of approximately **twenty Five Thousand (25,000) metric ton of DRI** according to the terms as herein after defined.

**(1) Material: DRI, with technical specifications of:**

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

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

**(2) Quantity:** Approximately **Twenty Five Thousand (25,000) M/T ± %10.**

**(3) Availability:** Available for loading 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.

**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 band guarantee for the**

**subject cargo.**

**(4) 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.

- 30 % of the total contract value should be paid as a payment in advance to the Seller's account max. 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 (in whole or in part) in agreed period because of a falling market price or so, seller has the right to confiscate the relative bond guarantee and the buyer must compensate the seller for all loss and damage from such a refusal to the seller's interest.***

**(5) Documents:** Offers by each bidder must be submitted in three sealed envelopes, clearly marked as "A", "B" and "C", and the face of the envelope should clearly state:

Export Sale of **25,000 M/T of DRI**, [The name, address, telephone, fax and email of the Bidder] and without any other writing or other indication whatsoever, whereby:

*(A) Envelop "A" must contain:*

The following documents (and a certified English translation of same, if the original documents is not in either of the Persian/Farsi, English, German, French, Spanish, Italian, Dutch, Arabic or Turkish language) and, where applicable in accordance to local customs and laws of the country of the bidder, the documents must be certified and or authenticated as to be true and complete copies of the original and effective document(s), as applicable, by either the registrar of companies, a public notary or the local chamber of commerce of the Bidder's place of registry:

1. Full name, address of registered office, and address of place of business if different (no post office boxes), company registration No. and place of registry, year company incorporated, telephone number, fax number, e-mail address and the name(s) and Positions responsible for:

- Contract matters, documentation and legal matters
- Finance and payments
- Operations, shipping and similar matters

2. A copy of the Certificate of Incorporation of the Bidder; and

3. A copy of the Articles of Incorporation and Memorandum of Association of the Bidder; and
4. Copies of all relevant (including the latest relevant published) notice(s) of Official Gazette of the Bidder, or alternatively and where applicable, a “Certificate of Good Standing”, or a recent extract of the commercial registry of the Bidder and/or other documents in accordance to the local laws of the Bidder which shall provide evidence that the company is existing and in business in the place of incorporation of the Bidder company; and
5. A resolution of the board of directors of the Bidder in which the names and signature(s) of parties authorized to engage in contracts and or transact the intended business is clearly stated, or alternatively any documentation that in ordinary business practice of the Bidder is considered to be evidence of authority of authorized parties to enter business and engage the Bidder in contracts in the business intended; and
6. Duly certified and authenticated copies of valid identity documents (with photograph) and or passport(s) of the person(s) authorized to engage in contracts for and on behalf of the Bidder, together with an original signature sample of such natural person(s); and
7. A reference letter from an internationally recognized bank, in the English language, that shall confirm that the Bidder is a customer of that bank and known to the Bank; and
8. Where applicable, additional information or general information about the Bidder (such as brochures, annual reports for the last 3 years of business activity of the company, names and nationalities of the company directors and officers) and other relevant information to further introduce the Bidder.

*(B) Envelop B must contain:*

The original of a duly and properly issued tender guarantee/bid bond, 8.00 USD per M/T, for the amount of **Two Hundred Thousand (200'000) USD** or **24,000,000,000 IRR**. The Bank guarantee must be valid for three (3) months from the date of issue. The said bank guarantee (the so-called “bid bond”) shall be in lieu of good, timely, and complete performance of the Bidder in accordance to the contract terms and this tender and in case of Bidder’s failure to perform its contractual obligations, the amounts under the said guarantee shall be forfeited to the Seller without any objection of the Bidder.

*(C) Envelop C must contain:*

1. The firm and final bid of the Bidder, as a principal buyer, on the buyer’s official letterhead, in conformity with the draft form herewith attached (Annex A), duly signed and sealed by the Bidder and without stating any other condition; and

2. All pages of the draft contract to be signed and sealed by The Bidder, as to indicate the Bidder's acceptance of all terms and conditions of the contract to be signed and/or finally exchanged between the Bidder and the Seller.

Notice 1: 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.

**Notice2: Return of Bond Guarantee:** In the event that the present Tender proceeding are cancelled or terminated or that the bid of any bidder is not accepted or that the bidder is otherwise unsuccessful, the Seller shall release the bond guarantee of unsuccessful bidders, no later than 15 days after the Bidding deadline.

**(6) Governing law:** All sales shall be construed to and governed by the laws of Islamic Republic of Iran.

**(7) Settlement of disputes:** In accordance to the rules of arbitration of the International Chamber of Commerce in Tehran by three arbitrators. Otherwise courts of Islamic Republic of Iran would be final means of arbitration.

**(8) Unit & Total Price:** The unit price per dry metric ton & total price offered by the Bidder must be mentioned as per the table below:

	<i>Unit Price (USD) per M/T</i>	<i>Quantity/Dry M/T</i>	<i>Total Price (USD)</i>
FCA IN SIRJAN		25.000	
FOB IN BANDARABBAS		25.000	

**Note:** Bidder's firm and binding offer 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.

**(9) Bidding Deadline:** All three sealed envelopes further described must be received at the Tehran office of the seller, located at NO.22, 31th Alley, Alvand St. Argentina Square, Tehran, Iran within 7 working days from the date of second announcement.

**(10) Announcement of Results:** Tender results shall be announced next working day after the deadline in office of the Seller. Bidders or their duly authorized representative can attend the meeting of the opening of bids in case of interest; the Bidder must notify the Seller in advance and introduce its authorized representative in writing.

*Yours faithfully,*  
Golgohar Iron & Steel Development Co. (private joint stock)