

DATE: 19. Feb. 2024

Ref: 09/2000/2398

KHOUZESTAN STEEL CO.



To: DRI Applicants

Subject: Export of DRI

Dear Sir,

With respect to the recent planning for the Iranian New Year (20.March.2024 to 19.March.2025), the first consignment of the new DRI production is intended to be exported by means of placing a new tender at 30,000 ton in term of FCA Bik Iran or EXW KSC Ahvaz Iran, in a few next days. The delivery operations would be commenced in early April 2024.

Kindly arrange for participation in the above mentioned tender. The Draft Contract context and detailed tender condition would be sent in near future.

It is worth mentioning that the DRI export tender schedule plan for the three first tenders would be as below table: (each tender quantity would be 30,000 MT, Totally 90,000 Mt)

Tender No.	Tender date	Closing date	Delivery
KSC 1402 / 03 / DRI	17.Feb.2024	23.Feb.2024	April 2024
KSC 1402 / 04 / DRI	10.Mar.2024	16.Mar.2024	May 2024
KSC 1403 / 01 / DRI	10.Apr.2024	16.Apr.2024	June 2024

Kindly don't hesitate to contact us in case of being any probable question or ambiguity.

Best Regards:
Reza Vakili
Sale and Marketing Deputy

DATE:

Ref:

KHOUZESTAN STEEL CO.



فراخوان فروش صادراتی آهن اسفنجی شرکت فولاد خوزستان

Khuzestan Steel Company Offer Announcement for exporting of Sponge Iron (DRI)

Ref: Offer no. KSC/1402/ 03 DRI dated 17.Feb.2024 for 30,000Mt Sponge Iron (DRI)

Dear Applicants

We are pleased to inform you of KSC's new allocation of Sponge Iron (DRI) as following terms and conditions:

- 1) Description: Prime Sponge Iron (DRI)
- 2) Chemical Analysis would be based on Mill Stock yard pile Composition as follow:

Fe(t) %	Fe(m) %	Met %	C %	S %
88.5 ± 1	80.5 ± 1	90 (Min)	2 (Min)	0.01 (Max)

P %	SiO ₂ %	Al ₂ O ₃ %	CaO %	MgO %
0.08 (Max)	3.4 ± 0.4	0.8 ± 0.3	1.2 ± 0.3	1.6 ± 0.3

- 3) Nominal Granules Dimension would be based on Mill Stock yard pile as follow:

Granules Dimension	-6.3 (mm)
Max %	7 %

- 4) Firm Bid: firm bid has to be on EXW KSC Ahvaz –Iran basis or FCA Customer Stock Yard Entry Gate in BIK Iran

5) Packing: Loose

6) Quantity: 30,000Mt (+/- 5% at seller option)

7) Delivery: 45 days after deposit payment confirmation

8) Payment term: **20%** cash as deposit which is assigned and settled for the last part. **80%** in partial during delivery of the whole consignment. (Before delivery of each subsequent part in 5,000 Mt the Lot value should be settled)

Each payments for 5,000 Mt should be paid immediately (Max 3 Iranian working days) against PI issued by seller prior to the Lot delivery.

9) Destination and End user: should be mentioned in the firm bid

10) Closing time: submitted firm bid must be forwarded latest by 23.Feb.2024, 18:00 O'clock by Iran local time via e-mail addressed to r.vakili@ksc.ir and m.abyat@ksc.ir

11) A draft detailed contract terms and condition is attached.

Important Notes:

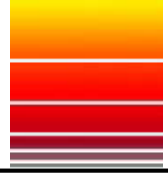
- 1) Applicant has to be registered outside Iran.
- 2) LOI should be prepared in company's official letterhead and stamped and signed by authorized signatory.
- 3) Attaching a scanned copy of the relevant valid Trade license depicting the name of authorized signatory along with LOI is necessary.
- 4) KSC reserve the right to reject any or all of the received proposals.
- 5) Vague or Conditional price bid would not be considered.
- 6) Price bid should be valid at least 5 Iranian working days from the offer deadline.
- 7) Accepted and confirmed applicant has to pay the deposit and the first payment within 3 Iranian working days after receiving of P/I issued by the seller.

Majid Abyat

Export Manager

DATE:

KHOUZESTAN STEEL CO.



REF:

Offer no. KSC/1402/ 03 DRI dated 17.Feb.2024 for Sponge Iron(DRI)

Contract terms

1. **Contract period:** the period for the performance of this contract shall be up to three months from date of contract commencement and the contract shall commence after receiving the deposit and the first payment by the seller.

2. **Extension of contract** (if applicable): this contract can be extended by mutual written agreement.

3. **Description of goods:** Prime Sponge Iron (DRI)

4. **Quantity:** 30,000 ton -/+5% at seller's option

5. **Quality:** As per annex No. 1 attached hereto.

6. **Packing:** Loose.

7. **Marking:** without Marking

8. **Shipment from:** Khouzestan Steel Company Ahwaz, Iran

9. **Final Destination:** (to be mentioned by the customer)

10. **Delivery and sale Term:** EXW KSC Ahwaz, Iran or FCA Customer Stock Yard Entry Gate in BIK Iran according to INCOTERMS 2020

11. The Export Permissions and license, Custom declaration charges and formalities, Custom Tariff, Custom Taxes and Custom Duties (during contract period) are on seller responsibility and account.

12. **Unit price:** USD [to be mentioned] /Mt EXW KSC Ahwaz, Iran

Note: payments in AED and / or EUR would be acceptable. Exchange rate would be as per www.xe.com on date of contract and would be constant for all payments of present contract.

13. **Total Value:** USD [to be mentioned] (-/+5%)

14. Payments and Cargo delivery Schedule

20% cash as deposit, Deposit would be allocated for the last part. 80% in partial during delivery of the whole consignment and before delivery of each subsequent part in 5,000 Mt Lot.

Each payments for 5,000 Mt should be paid immediately (Max 3 Iranian working days) against PI issued by seller prior to the Lot delivery.

Buyer is obliged to nominate a safe stock yard or warehouse in Iranian exit custom destination or BIK for the cargo to be delivered on customer charges and responsibility. Delivery to Iranian exit custom or to BIK by safe truck is on buyer charges and responsibility. The whole 30,000 Mt cargo would be delivered in 45 days (from receiving the deposit and the first Lot value) in 5,000 MT Lot , contingent upon on time receiving and crediting payments in seller nominated account 3 days after sending the P/I s prepared and submitted by the seller.

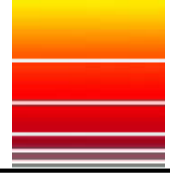
Address: 10Km BANDAR IMAM KHOMINI ROAD P.O.BOX:1378, POST CODE: 61788_13111 AHWAZ – IRAN

TEL:+98-611-2908000-(15 lines) FAX: +98-611-2908080-(3 Lines) URL:<http://www.ksc.ir>

Email:info@ksc.ir

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15. Delivery terms and condition

15-1) Delivery term: EXW KSC Ahvaz, Iran or FCA Customer Stock Yard Entry Gate in BIK Iran according to INCOTERMS 2020

15-2) Buyer should regard all safety issues in his stock yard or warehouse and seller in not responsible for any probable major or minor damages or accidents after delivery.

15-3) each 5,000 Mt Lot of the contract would be delivered in 10 days after receiving and crediting the relevant cargo value.

15-4) Lot delivery by truck and it's insurance and other port cost would be on buyer charges and responsibility.

15-5) the quantity delivered would be based on mill actual weight carried out by seller mill weighbridge.

15-6) Each subsequent lot delivery to the buyer warehouse would be commenced only and only upon crediting lot value for 5,000 Mt into the seller nominated bank account.

15-7) Custom declaration charges and formalities, custom Tariff and custom duties and standard organization charges are in seller responsibility and account. However If buyer delays in executing his own commitment then New Tariff, Taxes and Duties (if any) after 1 month of the whole cargo delivery will be on buyer account.

15-8) Buyer has to submit a copy of all export documents to the seller. In all documents the name of the seller should be mentioned as the Shipper.

15-9) payments should be paid on time. Otherwise the delivery operation would be halted and the buyer has to compensate the probable seller detriment as per seller's calculations.

16. Cargo Storage: Cargo Storage in Iranian exit custom or in BIK is on buyer responsibility and all charges related to cargo Insurance, warehousing, operations, loading would be on Buyer account.

Note:

In all cases that Buyer in breach of its obligations to take delivery of the cargo 45 days after seller cargo readiness, all of responsibilities and/or limitations and/or additional charges which might be imposed on cargo exporting permissions/duties as buyer might not be able to deliver the cargo, then Seller will be entitled to a penalty consisting of the total amount of payments. As result of such breaches to take delivery of the cargo, the sales contract will be automatically terminated.

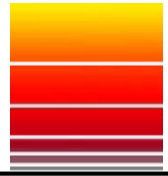
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17. Bank account No. will be announced by seller subsequently.

Notes:

A. In case that the payments did not been affected within deadline then seller will be authorized to act as per one of the following options:

Seller will be entitled to terminate and or respect the contract.

- Ship the cargo as per seller's shipping schedule

B. Seller is authorized to change the bank account and/or beneficiary's name.

18. Invoicing: Quantity delivered would be based on Mill's actual weight carried out by seller mill weighbridge.

19. Destination and end user: [to be mentioned]

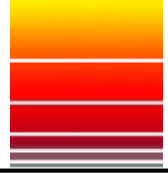
20. Other conditions: as per Attached Annex 2.

21. Validity: For countersign of contract until _____ Sign of the contract by Fax or e-mail (scanned) shall be valid and shall be legally bounded by the seller and buyer.

This contract includes 21 articles and 2 annexes.

DATE:

KHOUZESTAN STEEL CO.



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Annex No.1
Sponge Iron Specifications

1) Chemical Analysis based on Mill Stock Yard pile Composition:

Fe(t) %	Fe(m) %	Met %	C %	S %
88.5 +/-1	80.5 +/- 1	90 (Min)	2 (Min)	0.01 (Max)

P %	SiO2 %	Al2O3 %	CaO %	MgO %
0.08 (Max)	3.4 +/-0.4	0.8 +/-0.3	1.2 +/-0.3	1.6 +/-0.3

2) Nominal Granules Dimension based on Mill Stock Yard pile:

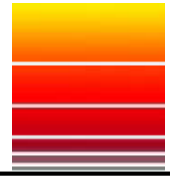
Granules Dimension	-6.3 (mm)
Max %	7 %

3) Quality would be based on Mill Stock Pile composition and granules size as above and mill documents as MTC or Quality Certificate which would be issued by the Seller are acceptable for the buyer.

This annex includes 3 article

DATE:

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REF:

Annex No.2

1. Shipping documents:

- 1.1. Commercial invoice based on Mill's actual weight.
- 1.2. Mill's test certificate showing chemical composition.
- 1.3. Packing list showing The Numbers of trucks , truck B/L no., weight of each truck
- 1.4. Certificate of origin issued by local chamber of commerce.

2. Country of origin: Islamic republic of Iran.

3. Quality claim: It is mutually agreed that the mill's certificate on quality shall be regarded as final and binding for both parties.

Claim limited to invoice value of the goods and liability for consequential loss or deferment of anticipated or actual profit, loss of opportunity, loss of revenue, loss of use, loss of production, increased or additional cost, business interruption or any similar damage or for any special, consequential or indirect losses damages will not be acceptable. Buyer's claim to be submitted in two original copies and to contain description of goods, and weight of the goods in respect of which the volume is submitted.

- 3.1. In spite of any claim on quality, buyer does not have the right to refuse payment of the goods in respect of which they have a claim or to reject the subsequent lots under the contract.
- 3.2. Claims will be limited to invoice value of goods and should be advised to export department, E-mails: m.abayat@ksc.ir.

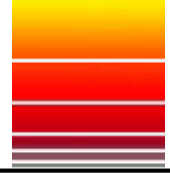
4. Payment must be done without any restriction.

Custom Taxes and custom duties in Iran at the contract duration are on sellers account, and all charges including but not limited to taxes, duties etc. or/and outside Iran on buyers account. However If buyer delays in executing of his commitment then New Tariff, Taxes and Duties (if any) after 1 month of the whole cargo delivery will be on buyer account.

5. All the buyer's bank charges are on buyer's account and all of the seller's bank charges are on seller's account.

DATE:

KHOUZESTAN STEEL CO.

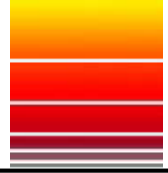


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6. **Warehousing costs:** all of warehousing charges and responsibility in Iranian exit custom or in BIK are on buyer account.
7. **Penalty:** In all cases that Buyer in breach of its obligations to take delivery of the cargo on the date that Seller notifies Buyer, or for any other reason Buyer is in breach of its obligations to take delivery of the cargo, then Seller will be entitled to a penalty consisting of the total amount of payment. As result of such breaches to take delivery of the cargo, the sales contract will be automatically terminated.
8. **Force majeure:** should at any time during the existence of this contract either party is unable to perform in whole or in part of any obligations under this contract because of force majeure confirmed by chamber of commerce (issuance of Sponge Iron Export Prohibition in IRAN will be considered as force majeure), then the date of fulfillment of any obligation under this contract shall be postponed by a period of one month only, after that, both parties are obliged to do their obligations under this contract unless a further extension to be mutually agreed. Should the events of Force majeure last 180 days, each party has the right to terminate this contract.
9. **Arbitration:** All disputes and claims arising from or relating to the present contract shall be first solved amicably, otherwise shall be referred to Arbitration Center of the Iran Chamber (ACIC) for binding and final arbitration by one arbitrator in accordance with the ACICA regulations.
10. **The parties agree to the following information security issues:**
 - 10.1. Within the frame work of this contract, the term "Confidential information" (henceforth information) makes reference to all documents, information and material disclosed by either party, in writing, verbally or by any other means, as regards the clauses and conditions of this subject to the provisions of this agreements provided its confidential nature and date of disclosure are clearly.
 - 10.2. All information or data described in paragraph 12.1(above), whatever its form, is subject to the provisions of this agreements provided its confidential nature and date of disclosure are clearly indicated or that, when disclosed verbally, its

DATE:

KHOUZESTAN STEEL CO.



REF:

Confidential character is confirmed in writing within the thirty (30) days following disclosure.

10.3. Each party, so long as is authorized to do so, will transmit to the other party any information the disclosing party considers necessary to the pursuit of the objectives described in the present.

10.4. The parties clearly understand that disclosure of information to another may under no circumstances be interpreted as conferring, expressly or implicitly, a specific right to the receiving party (under the terms of a license or by any other means) to apply equally to royalties and other rights deriving from intellectual property, trademarks or trade secrets.

This annex is including 10 articles.