

DATE:

# KHOUZESTAN STEEL CO.



K S C

REF:

## Sales Contract

No.

Date:

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### This contract is made between:

#### **Khouzestan Steel Co.**

10<sup>th</sup> KM. of Ahwaz – Bandar Imam Khomeini Road,  
P.O. Box. 1378 Post Code 61788-13111 Ahwaz / Iran,  
Tel: 0098 61 32908190 &93, Fax: 0098 61 32908195

Which is hereinafter called ' Seller '.

And

Which herein after called "Buyer".

The Seller agrees to sell and the Buyer agrees to buy steel products as per the following terms and conditions:

- 1. Contract period:** the period for the performance of this contract shall be up to three months from the 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 mt (-/+5%) at seller's option.
- 5. Quality:** As per annex No. 1 attached hereto.
- 6. Packing:** Loose.
- 7. Marking:** without marking.
- 8. Delivery and Shipment from:** delivery from KSC Ahvaz Iran to Bandar Imam Khomeini Port or any other export custom by truck and Shipment from BIK or export custom to the final destination by Marine vessel or truck are all in buyer cost.
- 9. Final destination:** (to be mentioned by the customer).
- 10. Delivery and sales term:** EXW KSC Ahvaz Iran

Note1: The export permissions and license, customs declaration charges and formalities, customs tariff, customs taxes and customs duties (during contract period) are on seller responsibility and account.

Note 2: custom declaration would be carried out in export custom yard.

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### **11. Unit price:**

(To be offered by the buyer)

Note 1: The price is valid and doable for 30,000 Mt which is supposed to be delivered in one month.

Note4: payments in AED and / or EUR would be acceptable. Exchange rate would be as per [www.xe.com](http://www.xe.com) on the date of contract and would be constant for all payments of

**12. Total Value:** USD (-/+5%), equivalent to AED (-/+5%).

### **13. Payments and cargo delivery schedule:**

**13-1)** the contract deposit would be 20% of the whole 30,000 ton value. This deposit would be frizzed and allocated for the last contract part.

**13-2)** the cargo value for each 30,000 Mt in partial during delivery of the whole consignment and before delivery of each subsequent part in 5,000 MT lot. Each payment for 5,000 MT should be paid immediately (max 3 Iranian working days) against P/I issued by seller prior to the lot delivery. Buyer is obliged to nominate a safe stock yard or warehouse in Iranian export custom destination or BIK for the cargo to be delivered on customer charges and responsibility. Delivery to Iranian export customs or to BIK by safe truck is on buyer charges and responsibility. The whole 30,000 MT cargo would be delivered in one month from receiving the 20% deposit and the first 5,000 Mt lot value, 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.

### **14. Delivery terms and conditions:**

14.1. Delivery term: EXW KSC Ahvaz Iran according to INCOTERMS 2020 with subject to this contract items.

14.2. 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 from KSC.

14.3. Each 5,000 MT lot of the contract would be delivered partially after receiving and crediting the relevant cargo value.

14.4. Lot delivery by truck and it's insurance and other port cost would be on buyer charges and responsibility.

14.5. The quantity delivered would be based on mill actual weight carried out by seller mill weighbridge.

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14.6. Each 5,000 MT 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.

14.7. Custom declaration charges and formalities, customs tariff and customs 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.

14.8. 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.

14.9. 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.

**15. Cargo storage:** cargo storage in Iranian export customs 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 and the deposit. As result of such breaches to take delivery of the cargo, the sales contract will be automatically terminated.

**16. Bank account No. will be announced by seller subsequently.**

**Notes:**

**A.** In case that the payment didn't been affected within deadline then seller will be authorized to act as per one of the following options:

- Seller will be entitled to terminate 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.

**17. Invoicing:** quantity delivered would be based on Mill's actual weight carried out by seller mill weighbridge.

**18. Destination and end user:** to be advised by buyer.

**19. Other conditions:** as per Attached Annex 2.

**20. Validity:** For countersign of contract until        of        2024 Sign of the contract by Fax or email (scanned) shall be valid and shall be legally bounded by the seller and buyer.

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### Annex No.1

### DRI 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 is including 3 articles.

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### 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. Mill's 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 of 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](mailto:m.abayat@ksc.ir).

**4. Payment must be done without any restriction.**

Customs taxes and customs duties in Iran at the contract duration are on seller account, and all charges including but not limited to taxes, duties etc. or/and outside Iran on buyer's 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.**

**6. Warehousing costs:** all of warehousing charges and responsibility in Iranian exit customs or in BIK are on buyer account.

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- 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 the contract deposit. 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 10.1(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 confidential character is confirmed in writing within the thirty (30) days following disclosure.
- 10.3. Each party, so long 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 of by any other means) to applies equally to royalties and other rights deriving from intellectual property, trademarks or trade secrets.
- **This annex is including 10 articles.**

Seller

Authorized Signatory

Buyer

Authorized Signatory