شرکت فولاد کاوه جنوب کیش

SKS

South Kaveh Steel Co.

Sales Contract

BUYER: ……

SUBJECT: 10,000 MT ± 5%, 3SP, PRIME STEEL BILLETS, EXPORT

CONTRACT NO: SKS-……

Seller:
South Kaveh Steel Company (SKSCO) |
ADDRESS: NO.30, 8TH ST., AHMAD QASIR (BOKHAREST) ST., TEHRAN, IRAN. TEL: 021-88502680

SALES CONTRACT

SUBJECT*: 10,000 *MT 3SP*, *EXPORT

No: SKS-…….

Date: ……

This Sales Contract is made and entered into by and between:

Seller:	Buyer:
South Kaveh Steel Company (SKSCO)	….
Address: No.30, 8th St., Ahmad Qasir (Bokharest) St., Tehran, Iran Tel: +9821-88502680 Hereinafter referred to as the "Seller."	Address: … Tel: …. E-mail: … Hereinafter referred to as the "Buyer."

Seller and Buyer are hereinafter collectively referred to as the "Parties" and individually as a "Party".
The Seller agrees to sell, and the Buyer agrees to buy the steel products under the terms and conditions set forth herein:

1. **Contract Period**
   This Contract shall be valid and effective from the date of signing this contract and shall remain in force until full performance of obligations by both Parties, but not exceeding two months from the commencement date, unless extended in accordance with Clause 2.

2. **Extension of Contract**
   The Contract period may be extended only upon written mutual agreement of both Parties. Any extension shall be made in typed form (not handwritten) and duly signed by authorized representatives of both Parties.

3. **Description of Goods:** Prime Newly Continues Casting Steel Billets, **Grade: 3SP** as per Annex No.1

4. **Total Quantity: *10,000 MT 3SP*, ± 5%** at Seller's option.
   The Seller has the right to deliver any quantity within the tolerance without any price adjustment except for a proportional value.
   Minimum Lot Size: Minimum acceptable shipment lot shall be **5,000 MT** per size/grade, unless otherwise agreed in writing.

5. **Packing:** Loose.

6. **Marking:** Each billet shall be marked at one end with Heat Number and Color marking according to the Seller's marking system.

7. **Delivery Term: FOB** ST LSD – BANDAR ABBAS, Shahid Rajaei Port, Iran – **INCOTERMS 2020**.

8. **Delivery Time:** Cargo shall be ready **30 days after advance payment confirmation**, subject to timely receipt of advance payment as per Clause 11.1.

9. **Unit Price: …USD/ MT, FOB** ST LSD Bandar Abbas (Shahid Rajaei Port), Iran.

10. **Total Value**: **….USD,** corresponding to the final loaded quantity, FOB ST LSD Bandar Abbas (Shahid Rajaei Port), Iran.
    The final invoice amount shall be calculated based on the actual shipped quantity as per the Final Draft Survey Report at the loading port.

11. **Terms of Payment**

11.1. **Advance Payment:** The Buyer shall pay **30% of the total Contract value** to the Seller within **five (5) business days** from the date of signing this Contract and receipt of the Seller's Proforma Invoice. Should the Buyer fail to affect the advance payment within the stipulated time, the Seller shall have the right to terminate this Contract unilaterally by providing written notice via official letter or email. In such event, the Buyer hereby waives any right to claim damages or objections against the Seller in the present or future.

11.2. **Balance Payment:** The remaining **70% of the total Contract value** must be completed **prior to the commencement of loading**. In the event that the balance payment is not received by the due date, SKSCO reserves the absolute right to withhold berthing permission and/or prohibit the vessel from commencing loading until the outstanding amount is cleared in full.

11.2.1. Should the Buyer fail to settle the balance payment in a timely manner, any resulting delays in the vessel's departure shall be at the Buyer's sole risk and expense. The Buyer shall be held fully liable for all costs, including but not limited to, demurrage, detention, port charges, and any other losses or damages incurred by the vessel or the Seller due to such delay.

11.2.2. In the event of a payment default by the Buyer, SKSCO shall have the unilateral right, at its sole discretion, to terminate the Contract immediately without the need for further legal notice or judicial intervention. Upon such termination, SKSCO is expressly authorized to resell the subject cargo to any third party without any liability to the Buyer.

11.2.3. In the event of Contract termination due to the Buyer's default, SKSCO shall refund any remaining balance (if applicable) to the Buyer's officially nominated bank account, only after deducting all incurred losses, damages, administrative costs, and penalties resulting from the Buyer's breach of payment obligations. SKSCO shall be under no obligation to remit any funds through alternative payment methods if the Buyer fails to provide valid and verified bank account details.

11.3. **Title to the Goods** shall pass from the Seller to the Buyer only upon the Seller's written confirmation of receipt of the balance payment in full.

12. **Partial Shipments:** Partial shipments are allowed, subject to Seller's prior written approval and operational feasibility. (Advance payment should be paid for the total quantity.)
13. **Transshipment:** Transshipment is not allowed, unless otherwise agreed in writing by Seller.
14. **Loading Port & Country:** BANDAR ABBAS Port (Shahid Rajaei), Iran.

15. **Language:** This Contract is executed in the English language. In the event of any inconsistency, discrepancy, or conflict arising from or in connection with any translation of this Contract, the English version shall prevail.

16. **Arbitration:** All disputes arising out of or in connection with this contract, including any question regarding its existence, validity, termination, breach, interpretation, and execution, shall first be settled through friendly negotiations. If no settlement can be reached, the dispute shall be referred to and finally resolved by arbitration administered by the Arbitration Center of Iran Chamber (ACIC) in accordance with its Arbitration Rules. This arbitration agreement shall be treated as an independent agreement and shall be binding upon both parties. The cost of arbitration shall be borne by the losing party, unless otherwise determined by the arbitration award.
17. Other Conditions: as per attached Annex No.2

18. CONFIDENTIALITY
    It is a fundamental term of this contract that the parties shall not disclose the terms hereof to any person, except insofar as disclosure is necessary for the effective performance by either party of this respective obligation hereunder.

In witness whereof, this Contract is executed in 3 counterparts with the same content, including 8 pages, 2 Annexes, and the duly authorized representatives of the Seller and the Buyer, having signed on this day, one counterpart is retained by the Buyer and two counterparts are retained by the Seller. All the terms and conditions in this contract are confidential.

For and on behalf of the Seller	For and on behalf of the Buyer
South Kaveh Steel Company (SKSCO)	……
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

DRAFT

Annex No.1

Billet Specifications

1- Quality (Grades and chemical analysis):

Grade	C%		Mn%		Si%		P%	S%	Cu%	Ni%	Cr%
	Min	Max	Min	Max	Min	Max	Max	Max	Max	Max	Max
3SP	0.18	0.22	0.50	0.70	0.15	0.30	0.04	0.05	0.40	0.30	0.30

2- Quantity and Size Breakdown:

Lot No.	GRADE	Size (MM)	Quantity (MT)
1	3SP	150 X 150 (+/-4) X 12000 {+/-100}	10,000

3- Physical Tolerances:

Diagonal length Deviation: 6 mm Max

Twisting: 1degree/ meter Max

Rhomboidality: 6 % max

• This annex includes 3 articles.

DRAFT

Annex No.2

1. Vessel Nomination & Delay Consequences:
   1.1. **Vessel Nomination:** Seller shall provide a preliminary notice of cargo readiness. Following this, Buyer shall submit the complete Vessel Details **(including Q88)** within a **maximum of 14 days** from the date of Seller's notice.
   1.2. **Technical Evaluation:** Acceptance of the nominated vessel is strictly subject to its technical suitability for the port and cargo specifications. Should the nominated vessel have technical limitations (including but not limited to age, gear capacity, hatch dimensions, or slower loading rates), Seller reserves the right to reject the vessel.
   1.3. **Conditional Acceptance:** At Seller's sole discretion, a vessel with technical limitations may be accepted, provided that the Buyer explicitly agrees in writing to bear all resulting additional costs, risks, and potential demurrage or shore crane expenses.
   1.4. **Final Approval:** Loading operations shall only commence once the Seller has announced formal acceptance for the nominated vessel.
   1.5. In case Buyer fails to nominate the vessel or fails to arrange for vessel arrival within the agreed time, Buyer shall:
   a) **Pay the remaining 70% balance of the Contract value;**
   b) Pay a compensation **amount of USD 1,000 per day** for warehouse and transportation to the Seller;
   c) Irrevocably waive any right to claim against Seller for such delay, storage, demurrage, or any related costs.
   1.6. The above compensation shall be without prejudice to Seller's right to resell the goods to third parties after a reasonable additional grace period and to claim any additional proven loss.

2. Notice of Readiness (NOR) & Laytime Commencement:
   If NOR is tendered before 12:00 hrs (local time) from Saturday to Wednesday, laytime shall commence at 08:00 hrs on the next working day. If NOR is tendered after 12:00 hrs or during holidays, laytime shall commence at 14:00 hrs on the next working day. In all instances, NOR shall only be deemed valid and acceptable once 'Free Pratique' has been granted to the vessel.
   2.1. If loading has to be interrupted due to causes attributable to the vessel, such time lost shall not count as lay time.
   2.2. Time lost due to the mechanical breakdown of the vessel directly affecting the loading operations shall not count as laytime.
   2.3. If loading is hindered due to the fault of the vessel or owners, then lay-time is not to count for the actual number of hours the vessel is idle.
   2.4. Lay time shall cease on completion of loading.
   2.5. Time for the initial and final draft survey shall not count as lay time.
   2.6. The Seller will accept no demurrage or detention.
   2.7. Vessel Agency: Owner agent or Vessel agent in Iran must be authorized to issue a "non-negotiable Bill of Lading" in which "the Name and Address of the Producer is mentioned as the shipper" and release it to the Seller for customs and Chamber of Commerce formalities.

DRAFT

2.8. **Shifting:** All time and expenses used in vessel shifting from one anchorage or berth to another will not be counted as lay time, even if the port authorities' directions do such shifting.

2.9. **Cleaning:** Sweeping and/or purging will be on the Buyer's account, and the time used will not be counted.

2.10. **Loading Method:** Loading shall be performed strictly in vertical and horizontal directions only. No diagonal or angled ("skewed") loading shall be carried out under any circumstances.

2.11. **Equipment:** If the vessel is equipped with derricks or requires any derrick-related operations, all costs associated with the derrick team shall be borne entirely by the Buyer.

3. Invoicing & Documents

3.1. Seller shall issue a Commercial Invoice based on the final shipped quantity determined at the loading port.

3.2. The following shipping documents shall normally be provided by the Seller:

- Commercial invoice based on the Mill's actual weight issued by the seller.
- Mill's test certificate issued by the seller showing chemical composition per heat.
- Mill's packing list showing Actual Weight, No. of billets, and Color marking issued by the seller.
- Certificate of origin issued by local chamber of commerce (if requested and applicable)
- Original shipping documents may be released to Buyer only after receipt of full payment of the Contract value in Seller's bank account.

4. Quality, Inspection & Claims

4.1. The goods shall conform to the technical specifications stated in Annex No.1 of this Contract.

4.2. Inspection at loading port, if requested by Buyer, shall be carried out at Buyer's cost and must not interfere with loading operations.

4.3. **Third-party inspection:** Cargo inspection shall be performed exclusively by an internationally accredited inspection agency of standing equivalent to SGS. The selection of the inspector is subject to the Seller's prior approval and shall be at the Buyer's cost.

4.4. Quantity determination shall be based on the Draft Survey at the loading port or the Seller's weight certificate.

4.5. **No claim shall be accepted once the cargo has left the port of loading.**

5. Force Majeure

5.1. Neither Party shall be liable for failure or delay in performing its obligations if such failure results from Force Majeure events, including but not limited to:

- Natural disasters
- War or hostilities
- Government restrictions or sanctions
- Port congestion or port authority restrictions
- Epidemics or pandemics
- Acts of God or any other events beyond the reasonable control of the Parties
- Bank sanctions, failure of payment channels, or restrictions on international fund transfers

DRAFT

5.2. The affected Party shall notify the other Party in writing within 7 days of the occurrence of such event and shall provide reasonable evidence.

5.3. If the Force Majeure situation continues for more than 30 days, either Party may request renegotiation or termination of the Contract.

6. Assignment

6.1. Buyer shall not assign, transfer, or subcontract any of its rights or obligations under this Contract to any third party without the prior written consent of the Seller.

6.2. Any assignment made without such consent shall be null and void.

7. Amendments

Any amendment or modification to this Contract shall be valid only if made in writing and signed by duly authorized representatives of both Parties.

Handwritten alterations or additions shall not be valid unless confirmed and signed by both Parties.

This Contract, together with its Annex, constitutes the entire agreement between the Parties and supersedes any prior communications or understandings related to the subject matter.

8. Taxes, duties, etc. in Iran on seller's account, and all charges, including but not limited to taxes, duties, etc. outside of Iran on buyer's account.

9. All the buyer's bank charges are on the buyer's account, and all the seller's bank charges are on the seller's account.

• This annex includes 9 articles.

DRAFT