

Sales and Export General Terms and Conditions 2015

These Sales and Export General Terms and Conditions 2015 (the Terms), as amended from time to time shall apply from 1st January 2015 and also where reference is made directly or indirectly, expressly or impliedly to these Terms, to all Purchase Orders or such other documents (hereinafter P/O) received by Shahid Bahonar Copper Industries (hereinafter CSP) for the sale of the goods named in the P/O.

1. Acceptance of Order

Purchase orders received by CSP shall become binding if the following conditions are met:

- a) The Purchase Order conforms to the Proforma Invoice (hereinafter P/I).
- b) The down payment specified in the P/I has been credited to the bank account designated by CSP, or a letter of credit the terms of which are acceptable to CSP has been issued by the Buyer through an accredited bank.

2. Terms of Payment

- 2.1. Payments shall be made by the Buyer to one of CSP's accounts according to the agreed terms of payment, without any deduction for cash discount, expenses, taxes, levies, fees, duties, etc.
- 2.2. The terms of payment of each transaction are those specified in P/I. In the absence of any written agreement to the contrary, the payments shall be made in cash against document (CAD).

3. Terms of Delivery

- 3.1. Unless otherwise agreed upon in writing, the goods shall be deemed to be sold and delivered EXW/CIF the place of delivery that is determined in P/I.
- 3.2. Unless otherwise agreed upon in writing, all the risks shall pass to the Buyer in accordance with the Incoterms 2010 of the International Chamber of Commerce, Paris.
- 3.3. Partial deliveries are permitted.

4. Packing

CSP shall use suitable packing as per its normal practice. The Buyer may however request in writing and with appropriate prior notice for a particular type of packing. The costs of such different packing shall be borne by the Buyer and paid in advance to the account designated by CSP.

5. Weighing Scale and Variations

5.1. Goods subject of these Terms shall be weighted using CSP bascules. Bascules reports shall be binding on the Buyer and CSP. CSP will evaluate and calibrate all its weighing equipment according to Institute of Standards and Industrial Research of Iran, annually and whenever required.

5.2. Tolerance of weight for each item of P/I will be $\pm 10\%$.

6. Inspection and Defect Claims

Quantities and qualities stated on the Bill of Ladings are binding for CSP and the Buyer. The Buyer may however inspect the goods within seven (7) days before loading in CSP's premises and may designate an international inspection institute to that effect. The costs of inspections order by the Buyer shall be borne in their entirety by the Buyers. The Buyer shall not and hereby waive any claim with respect to quality and quantity of the goods after their loading.

7. Retention of Ownership

7.1. Notwithstanding any other provisions of these Terms, the P/I, and the P/O, CSP shall retain title to the supplied goods until the purchase price has been received in full. Buyer shall be entitled to sell the goods subject to retention of title in the ordinary course of business. In this case, Buyer shall hereby assign to CSP any receivables to which it is entitled from the sale of the goods subject to retention of title.

7.2. If the validity of the retention of ownership is subject to special conditions or regulations in the country of destination, the Buyer is responsible for the observation and compliance with those conditions or regulations and shall forthwith inform CSP of the same.

7.3. If the law of the country where the goods are situated after delivery does not permit CSP to retain the ownership of the goods, CSP shall be entitled to rights as closely related to its rights stated above as the law permits. The Buyer shall give CSP every assistance in taking any measure required to protect its right of property or such other rights.

7.4. If the Buyer fails to make any payments when due, the Buyer shall be obligated to return the goods that are subject to CSP ownership rights after notice has been given by CSP, without affecting other rights. The Buyer shall, in such event, be obligated to ship back these goods to CSP at his own risk and expense.

7.5. CSP shall be entitled to interrupt deliveries of goods to the Buyer, including those subject of different P/O and irrespective of down payments that have been made, in the event the Buyer has failed or, in CSP's reasonable opinion, is likely to fail to pay any amount due to CSP.

8. Liquidated Damages

In case of late payment, the Buyer shall pay liquidated damages to CSP, which shall be calculated on a daily basis, from the day following the due date until the day of full settlement, and compounded on a daily basis at the rate of 10% per annum. Any partial payment will be allocated first to the settlement of accrued liquidated damages due.

9. Force Majeure

Any unpredictable event or circumstance, the prevention of which is beyond control (force majeure), shall release CSP and the Buyer (except the Buyer's responsibility in respect of payment to CSP which shall not be subject to Force majeure), for the duration of the disruption and to the extent of its impact, from their contractual obligations. Force majeure shall include, but not be limited to, natural disasters, war, industrial disputes, shortage of raw materials, unavoidable interruptions of transport and operations, fire and explosion damage, as well as decrees of higher government authority. Force majeure shall also be deemed to apply if the events and circumstances make the execution of the transaction in question uneconomical in the long term or if they relate to upstream suppliers.

10. Termination

10.1. CSP shall be entitled to forthwith terminate any transaction subject of these Terms if the payment due to it by the Buyer is delayed for more than 30 calendar days. In such case, Buyer shall not be entitled claim damages and losses that it has and/or will incur as a result of termination.

10.2. CSP and the Buyer shall each be entitled to terminate any transaction subject of these Terms if the events and circumstances referred to under Clause 9 above persist for more than 90 calendar days. In that case, neither party shall have any claim against the other party.

10.3. In the event of termination, CSP shall have the right to sell the goods under the P/O to other Buyers and the Buyer shall have no claim in that respect.

11. Priority of Documents

In case of any conflict, inconsistency, or discrepancy between these Terms, Proforma Invoice, Purchase Order and the sales contract, the priority of these documents will be as follow:

1. The sales contract (if any),
2. The Proforma Invoice (P/I),
3. These Terms.
4. The Purchase Order (P/O)

12. Severability

Even if an individual provision herein is or becomes invalid, the remaining provisions of these Terms shall remain valid.

13. Modification

These Terms may only be amended in writing with signatures of competent and authorized representatives of both CSP and the Buyer.

14. Applicable Law and Dispute Settlement

14.1. These Terms, the P/I and the P/O shall be governed by and interpreted in all respects under the laws and regulations of Islamic Republic of Iran (irrespective of its choice of law principles).

14.2. Any difference or dispute arising out of, relating to or in connection with these Terms, the P/I and/or the transaction contemplated in the P/I, their validity, interpretation, application and/or the enforcement of any right or obligation thereunder, shall be first settled through negotiation.

14.3. In the event such difference or dispute is not settled through negotiation within thirty (30) days from the receipt of the request sent to that effect by either Party to the other, then such difference or dispute shall be finally and exclusively settled by Arbitration under the Rules of Arbitration (the Rules) of Tehran Regional Arbitration Centre (TRAC).

14.4. When the amount in dispute is quantified by the claimant in an amount equal or in excess of one million Euro, or the equivalent in other currencies, unless otherwise agreed by the Parties, three arbitrators shall be appointed in accordance with the Rules. When the amount in dispute is quantified by the claimant in an amount less than one million Euro, or the equivalent in other currencies, unless otherwise agreed by the Parties, a sole arbitrator shall be appointed in accordance with the Rules.

14.5. The Arbitration shall be conducted in the English language.

14.6. The arbitral award shall be final and binding on the Parties. The Parties hereby commit themselves to forthwith enforce the arbitration award.

14.7. Each Party shall contribute in equal shares to the arbitration costs. The arbitrators shall determine the costs, including the legal costs that shall be borne by either Party with due consideration to each Party's success in its positions in the arbitration proceedings.

15. Limitation of Liability

CSP shall not be liable towards the Buyer for any indirect or consequential loss or damages, irrespective of its cause and including without limitation, loss of profit, loss of revenue and loss of production, arising out a failure under these Terms, the P/I or the P/O.

16. Assignment

16.1. The Buyer shall not assign or otherwise transfer any of its rights or obligations under these Terms and/or the P/I, except to a subsidiary or an affiliated company, without the written and prior consent of CSP. The Buyer shall nevertheless remain jointly liable with the assignee towards CSP for the entire price and the late payment damages irrespective of such assignment.

16.2. The CSP may assign or transfer to such bank or banks (the "Assignee(s)") as CSP may nominate (or as such Assignee(s) directs) any of the CSP's rights, benefits or obligations and may grant one or more sub-participations in its rights and/or obligations thereunder. CSP may give to the Buyer notice of such assignment(s) and the Buyer agrees to confirm to the Assignor(s) in writing its acceptance and acknowledgement to any such assignment(s) if so requested by CSP.

17. Notice

17.1. Any notice or communication under these Terms shall be in writing and shall be sent by registered mail, telex or facsimile.

17.2. Notices shall be deemed to have been served on the date of confirmation of receipt or in case of non-confirmation or refusal to confirm, 10 days after the sending date of such notice. Any deadline shall commence to run from the day following the day of receipt. Notices shall be addressed to the addresses stated in the P/I or at such other address one Party may communicate to the other Party in writing from time to time for this purpose.

CSP