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MINAS DE BENGA LDA, MOZAMBIQUE

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OPEN TENDER NO. *MBL/TC/2020-01/Sales*

Date: 24th June, 2020

PART – I OF BIDDING DOCUMENTS

Minas de Benga, Lda. (hereinafter “MBL”) is a subsidiary of International Coal Ventures Pvt. Ltd. (ICVL) group of companies. ICVL is a JV with M/s Steel Authority of India Ltd (SAIL), M/s Rashtriya Ispat Nigam Ltd (RINL) and NMDC Ltd. (NMDC) as its promoters.

MBL invites 2-part ONLINE / OFFLINE bids for the sale of 500 metric tons +/- 20% of Thermal Coal (size 0–50mm) in Lot Size of **100 metric tons or multiples thereof on Free on Truck (FOT) basis** from its works at Cidade de Tete in Mozambique.

The Bidders may quote for higher quantities which may be considered by MBL depending upon the shipment schedule.

1. TECHNICAL SPECIFICATIONS OF THERMAL COAL (SIZE -0-50mm mm):

TECHNICAL SPECIFICATION THERMAL COAL

Characteristics	Basis	Typical Values
Net Calorific Value kcal/kg	AR	5500
Total Moisture %	AR	5
Total Sulphur %	AD	0.9
Ash %	AD	28
Volatile Matter %	AD	19
Hardgrove Grindability Index		70

2. DEADLINE FOR SUBMISSION OF BIDS: 11:00 HRS MOZAMBICAN STANDARD TIME ON 4TH JULY 2020 (Tuesday)

3. DATE AND TIME FOR OPENING OF BIDS: IMMEDIATELY AFTER EXPIRY OF THE DEADLINE FOR SUBMISSION OF BIDS i.e. 1100 HRS MOZAMBIQUE STANDARD TIME ON 4TH JULY 2020 (Tuesday)

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4. OFFERS BY THE BIDDERS TO BE KEPT VALID UPTO FOR AT LEAST 15 DAYS FROM THE DATE OF OPENING OF THE TENDER.
5. THE PARTY HAS TO BID ON FOT ("FREE ON TRUCK") BASIS AND DELIVERY POINT WILL BE **STOCKPILE** AREA OF MBL'S BENGA MINE AT TETE. THE PARTY HAS TO QUOTE THE DISCOUNT OVER API#4.
6. THE QUANTITY FOR WHICH BIDDER SHALL BID SHOULD BE MENTIONED AT PART III OF THE BIDDING DOCUMENT (PROFORMA OF PRICE BID)
7. THE CUSTOMER SHALL MAKE NECESSARY ARRANGMENT FOR THE TRUCKS AND IT WILL BE RESPONSIBILITY AND LIABILITY OF THE CUSTOMER TO GET ALL THE CLEARANCES FROM THE GOVERNMENT OF MOZAMBIQUE/OTHER STATUTORY AGENCIES TO TAKE THE MATERIAL FROM ROAD TO ITS DESTINATION.
8. THE PURCHASER SHALL PAY IN ADVANCE BEFORE LIFTING THE MATERIAL UNLESS THERE IS A PRIOR CREDIT ARRANGEMENT WITH MBL AT THE SOLE DISCRETION OF MBL. NO OTHER PAYMENT MODE OF PAYMENT SHALL BE ENTERTAINED. IF AT ALL, A CREDIT FACILITY IS AGREED TO, IT CAN BE BASED ON THE BANK GUARANTEE OF PROPORTIONATE AMOUNT FURNISHED BY THE BIDDER.

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PART – II OF BIDDING DOCUMENTS
OPEN TENDER NO. MBL/TC/2020-01/ dated 24th June, 2020

INSTRUCTIONS TO BIDDERS

A. Cost

1. Cost of Bidding

The Bidder shall bear all costs associated with the preparation and submission of its bid, and Minas de Benga Lda. (MBL), hereinafter referred to as "The SELLER," will, in no case, be responsible or liable or accountable for those costs, regardless of the conduct or outcome of the bidding process.

B. The Bidding Documents

2. Content of Bidding Documents

2.1 The detailed specifications of the goods, bidding procedures and Agreement terms are prescribed in the Bidding Documents. The Bidding Documents include:

Part – I	Introduction and Specifications of Thermal Coal
Part – II	Instructions to Bidders
Part – III	Proforma for Price Bid
Part – IV	Form of Agreement
Annxure – I	General Conditions of Agreement
Annxure – II	Technical Specifications
Annxure – III	Form of Performance Bank Guarantee ("PG")

2.2 The Bidder is expected to examine all instructions, forms, terms and specifications in the Bidding Documents. Failure to furnish all information and documents required by the Bidding Documents in every respect will be at the Bidder's risk and may result in the rejection of its Bid.

3. Clarification of Bidding Documents

A prospective Bidder requiring any clarification of the Bidding Documents may notify the SELLER in writing or by email to Aniza.Sidi@icvl.co.mz with a copy to RajendraKumar.Mishra@icvl.co.mz.

4. Amendment of Bidding Documents

4.1 At any time prior to the deadline for submission of bids, the SELLER may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by issuing an amendment.

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4.2 The amendment will be put in the same website, i.e, www.icvl.in and will form part of the tender document. **BIDDERS ARE THEREFORE ADVISED TO VISIT THE WEBSITE AT REGULAR INTERVALS.**

4.3 Where the SELLER issues an amendment within three (3) days prior to deadline for submission of bids, in order to afford prospective Bidders reasonable time in which to take the amendment into account in preparing their bids, the SELLER may at its own discretion simultaneously extend the deadline for the submission of bids by three (3) or more working days.

C. Preparation of Bids

5. Language of Bid

5.1 The Bid prepared by the Bidder and all correspondence and documents relating to the bid exchanged by the Bidder and the SELLER, shall be written only in the English language.

6. Documents comprising the Bid

The Bid prepared by the Bidder shall comprise the following components:

- a)** A "Techno-Commercial Bid" (Part 1) and a "Price Bid" (Part 2), completed in accordance with Instructions to Bidders stated in Part – II of Bidding Documents;
- b)** Documentary evidence to be established in accordance with Para 10 that the Bidder is capable to perform the Agreement if its Bid is accepted;
- c)** Earnest Money ("EMD") furnished in accordance with Para 11.

7. Bid Form

The Bidder shall submit its Bid complete in all respects along with the Price Bid and all details as desired in the Bidding Documents including but not limited to quantity, etc.

8. Submission of Bids

8.1 The price of Thermal Coal should be quoted using the format enclosed as Part – III of Bidding Documents, on the FOT ("Free On Truck") basis from Stockpile area of MBL's Benga mine at TETE only.

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8.2 Firm Discount: Discount quoted by the Bidder shall be firm during the performance of the Agreement and shall not be subject to variation on any account whatsoever.

8.3 Bidder must quote for a minimum quantity of 100 metric tons or in its multiples.

9. Currency and unit of Weight

The Unit of Measurement (UOM) will be Metric Tonne ("MT") and the price should be quoted in United States Dollars ("USD").

10. Documents Establishing Bidder's capability

10.1 Pursuant to para 6, the bidder in Part-I of the bid, shall furnish details of coal purchased/traded in the last three (3) years, up to the last date of submission of bid.

10.2 Bidders shall furnish detailed information of Company/Individual alongwith the last three (3) years published Annual Accounts and Annual Report if available. These documents should clearly show the exact nature of ownership.

10.3 MBL may use documents/information of the bidder available with it from earlier tenders, in case they are found missing in the current bid, at MBL's discretion.

10.4 MBL may seek additional documents from Bidder, if required, to establish capability.

10.5 MBL will maintain the confidentiality of all information provided by Bidder.

11. Earnest Money Deposit

11.1 Each bid should be accompanied by proof of transfer (SWIFT, etc.) or deposit of the Earnest Money (hereinafter also referred to as "EMD") of US\$ 5,00.00 (Five hundred United States Dollars) to the bank account of MBL given below:

Bank Name:	Standard Bank (Mauritius) Limited
Branch Name:	Head Office
Account Holder Name:	Minas de Benga, Limitada
Account Number :	9090000111939
IBAN Number:	MU61SBIC2201900001119390000USD
BIC (SWIFT):	SBICMUMU
Currency:	USD
Account type:	Current Account

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11.2 The Earnest Money is required to protect the SELLER against the risk of Bidder's conduct which would warrant the security's forfeiture pursuant to Para 11.6. The Earnest Money shall not bear any interest.

11.3 A Bid which is not accompanied by Earnest Money of requisite value shall be rejected by the SELLER.

11.4 An unsuccessful Bidder's Earnest Money will be returned to the Bidder.

11.5 The successful Bidder's Earnest Money will be adjusted along with the payment for the last dispatch.

11.6 The Earnest Money shall be forfeited:

- a) if a Bidder withdraws or modifies its Bid during the period of Bid validity specified by the Seller;
- b) in the case of a successful Bidder, if the Bidder fails:
 - (i) to sign the Agreement in accordance with Para 29; or
 - (ii) to furnish the Performance Bank Guarantee or the deposit of USD 1,000 (One thousand US Dollars), in accordance with Para 30.

11.7 Bidders should provide their bank details along with their bid.

12. Validity of the offer

12.1 Each Bidder shall keep its offer firm and valid for acceptance by MBL for a minimum period of 15 days from the date of tender opening.

12.2 In exceptional circumstances, prior to expiry of the original Bid validity period, the SELLER may solicit the Bidder's consent to an extension of the period of Bid validity. The request and the responses thereto shall be made in writing or by email. In such a case the validity of the EMD provided under Para 12 shall also be suitably extended. A Bidder may refuse the request without forfeiting its EMD. A Bidder granting the request will not be required nor permitted to modify its Bid.

13. Format for the Bid

13.1 The Bidder shall prepare one (1) copy of the Bid (i.e., Part 1 – Techno-Commercial Bid and; Part 2 – Price Bid).

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13.2 Each page will be numbered consecutively, referring to the total number of pages comprising the entire part, at the top right hand corner of each page.

13.3 Each page of the offer should be signed and stamped by the authorized officer(s) of the Bidder.

14 Each Bidder should ensure that the aforesaid conditions for submission of Bids are duly complied with.

15. Complaints

15.1 The Bidder, if feel aggrieved, may raise complaint / pass on information, if any, to :

MD & CEO, ICVL MOZAMBIQUE;

D. Submission of Bids

16. Bids shall be submitted electronically only

16.1 The detailed offer shall be submitted in two (2) parts:

PART 1: TECHNO-COMMERCIAL BID ALONGWITH EARNEST MONEY

Should contain the proof of submitting the Earnest Money, blank price bid duly signed & stamped with quantity and other information/data and documents, etc. required to be furnished with Part 1 of the Bid;

and

PART 2: PRICE BID

Only duly filled in Price Bid should be submitted as per the prescribed proforma enclosed as Part – III of the Bidding documents. Price Bid proforma should not contain any conditions, otherwise the Bid will be rejected and EMD will be forfeited.

16.2 The detailed offer, as mentioned above, together with its enclosures should be submitted in two (2) parts to coalsale.tender@icvl.co.mz

PART 1: TECHNO-COMMERCIAL BID ALONGWITH EARNEST MONEY; and

PART 2: PRICE BID.

in two (2) separate mails one each for Techno-commercial Bid and Price Bid.

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16.3 The Bidder shall submit TechnoCommercial Bid & Price Bid in separate e-mails with the subject clearly mentioning about "TECHNO COMMERCIAL BID (Part-1)" or "PRICE BID (Part-2)", so as to avoid opening of Price Bid before techno- commercial scrutiny.

On the e-mail containing TechnoCommercial Bid, the Bidder will write "TECHNO COMMERCIAL BID (PART-1) "OFFER IN RESPONSE TO GLOBAL TENDER NO. MBL/TC/2020-01 'Bidder's Short Name' dated 24th June 2020 " and on the e-mail containing price bid the Bidder shall write "PRICE BID (PART-2) "OFFER IN RESPONSE TO GLOBAL TENDER NO. MBL/TC/2020-01 dated 24th June 2020" 'Bidder's Short Name'. The Price Bid shall be sent in password protected PDF file. The password shall only be provided when MBL asks for the same from the Bidder at the time of opening of the Price Bid.

If the file size of the Techno-Commercial Bid exceeds 10 MB, the Bid can be submitted in parts, e.g. Techno-Commercial Bid Part 1 - 1 of 6; 2 of 6, so on and so forth.

16.4 Price will be quoted as the Discount over API#4 average price of 2 (two) weeks immediate prior to actual dispatch.

16.5 The price quoted shall be firm for the contract duration and will be governed by pricing mechanism as per clause 16.6

16.6 Pricing Mechanism

16.6.1 The bidder shall quote Discount per Metric Tonne over API#4 in US \$ at Part III of the Bidding document.

16.6.2 For the purpose of API#4, Argus/McCloskey's Coal price Index Report shall be used.

16.6.3 The API#4 price considered for reference shall be average of 2 (two) week's price immediately prior to the week in which Dispatch / Delivery takes place. Henceforth this price shall be called "Base Price". Base Price is rounded up to two decimals place.

16.6.4 The discount given by the Bidder at Annexure III of the document shall be subtracted from the "Base Price". This price shall be called the "Derived Price".

16.6.5 The FOT price shall be obtained as follows:

$$\text{FOT Price} = (\text{Derived price} \times \text{NCV of the coal dispatched}) / 2500$$

FOT Price is rounded up to two decimals place.

The Penalty, if any, shall be deducted from the above FOT Price as per the specified clause in tender document.

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16.6.6 Applicable Taxes will be charged extra. At present IVA is levied at 17% on local sales.

If the bidder claims exemption from IVA necessary clearance from the Tax authorities should be provided by the bidder, else IVA at applicable rate shall be charged.

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16.6.7 Monday will be counted as first day of the week

17. Deadline for Submission of Bids

17.1 Bids must be received by the SELLER at the electronic mail address specified above well within 1100 Hrs (Mozambique Standard Time) on 4th July 2020.

18. Late Bids

Any bid received by the SELLER after the deadline for submission of Bids will be rejected.

19. Modification and Withdrawal of Bids

19.1 The Bidder may modify or withdraw its Bid after the Bid's submission, prior to the deadline prescribed for submission of Bids, provided that written notice of the modification or withdrawal is received by the SELLER to (coalsales.tender@icvl.co.mz)

19.2 A withdrawal notice may be sent by email and received before the deadline for submission of Bids (coalsales.tender@icvl.co.mz)

19.3 No Bid may be modified subsequent to the deadline for submission of Bids.

19.4 No Bid may be withdrawn in the interval between the deadline for submission of Bids and the expiration of the period of Bid validity specified by the Bidder on the Bid Form. Withdrawal of a Bid during this interval shall result in the forfeiture of EMD.

19.5 In case of multiple bids by the same Bidder, the latest one shall only be considered.

E. Bid Opening and Evaluation

20. Opening of Bids by SELLER

20.1 The SELLER will open Techno-Commercial Bid (Part 1) immediately after expiry of the deadline for submission of the Bid, as specified hereinabove. Bidder's representatives may attend the tender opening.

21. Clarification of Bids

The SELLER may, at its discretion, ask the Bidder for a clarification of its Bid.

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22. Preliminary Examination of Bids

22.1 The SELLER will examine the Bids to determine whether they are complete, whether required sureties have been furnished and whether the Bids are generally in order.

22.2 The SELLER may waive any minor infirmity or non-conformity or irregularity in a Bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

23. Evaluation and Comparison of Bids

23.1 The Bids shall be compared on the basis of Discount offered. The bidders quoting Minimum discount shall be declared as the Highest Bidder (H1)

23.2 If there is a discrepancy between words and figures, the amount in words will prevail.

24. Contacting the SELLER

24.1 Any effort by a Bidder to influence the SELLER in the SELLER's Bid evaluation, Bid comparison or Agreement award decision may result in the rejection of the Bidder's Bid and forfeiture of EMD.

25. Award Criteria

From the successful Techno-Commercial Bids, the highest Bidder shall be declared based on the lowest discount quoted. The SELLER will award the Agreement to the successful Techno-Commercial Bidder whose Bid has been determined as the highest Bid.

26. SELLER's right to vary quantities at time of Award

The SELLER reserves the right to award a quantity more or less than the offered quantity, for the purpose of completion of shipment, without any change in unit prices or other terms & conditions.

27. The SELLER reserves the right to accept any Bid in full or in part, or to reject any Bid or all Bids.

28. Notification of Award

28.1 The notification of award will constitute the formation of the Agreement.

[Type text]

29. Signing of Agreement

29.1 Within 5 (Five) business days from the date of receipt of the Notification of Award from MBL, the successful Bidder will send the signed and accepted scanned copy of the Agreement through email, followed by the original through hand delivery or through secured express courier.

29.2 In the event of failure by the successful Bidder to send the signed and accepted scanned copy of the Agreement through email, within 5 (five) business days of the date of receipt of the Notification of Award, MBL shall be entitled to forfeit the EMD (Ernest Money Deposit) furnished by the successful Bidder and to immediately terminate the Agreement formed as per the terms of clause 28.1, and consequently to award the Agreement to the next highest bidder.

30. Performance Bank Guarantee

30.1 Within 5 (five) business days from the date of the Agreement, the successful Bidder shall furnish a Performance Bank Guarantee (hereinafter "PG") in the binding form of a bank guarantee as per the Form (vide Annexure – IV to Part – IV of this Document), for an amount of USD 1000.00 (One Thousand United States Dollars), valid for a period of 6 (six) months. No change in the prescribed Form of the bank guarantee for PG is acceptable. The PG shall be established in favour of MBL through the specified banks and should be received in the office of MBL within 5 (five) business days of the date of Agreement. The Performance Bank Guarantee shall be established through any Mozambican Bank acceptable to the SELLER (preferably "Standard Bank" or "BCI"). Performance Bank Guarantee issued directly by a foreign Bank to MBL shall not be accepted.

30.2 As an alternative to the above PG, the bidder may submit Security Deposit of USD 1000.00 (One Thousand United States Dollars) in the bank account mentioned in 11.1 above.

30.3 In the event of the failure of the successful Bidder to furnish PG in the prescribed form or in the stipulated time, or the Security Deposit within the stipulated time, MBL shall have the right to terminate the Agreement and forfeit the EMD furnished by the Bidder without giving any prior notice.

31. Action for misrepresentation/ submission of false documents

All the information/ documents furnished with the bid are liable for verification and in case of misrepresentation/ fraud noticed at any stage, the SELLER shall take action such as non-consideration of bid/ termination of order along with forfeiture of EMD. SELLER shall also be entitled to proceed for banning/ suspend business dealings as per rule/ norm. Decision of the SELLER in such case shall be final and binding.

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PART – III OF BIDDING DOCUMENTS
OPEN TENDER NO. MBL/TC/2020-01/ dated 24th June, 2020
PROFORMA FOR PRICE BID

(The price is to be quoted on FOT basis only for delivery from MBL, Tete)

1. Name of the Bidder:

2. Address:

.....

3. Thermal Coal from Benga Mine, Mozambique

4. Discount per Metric Tonne over API#4: US \$

(in figures as well as in words)

..... United States dollars

(Discount has been quoted over API#4, to be despatched from Thermal Coal dump area of MBL's Benga mine at TETE only).

5. Quantity offered:MT

(in figures as well as in words) : Metric Tonnes

NAME & SIGNATURE OF THE AUTHORISED SIGNATORY OF THE BIDDER

(NAME OF THE BIDDER)

Note: No conditions shall be mentioned in this Format. Any conditional offer is liable for rejection and forfeiture of EMD.

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PART – IV OF BIDDING DOCUMENTS

OPEN TENDER NO. *MBL/TC/2020-01/* dated 24th June, 2020

FORM OF AGREEMENT FOR THE SUPPLY OF THERMAL COAL ON FOT ("FREE
ON TRUCK") BASIS AT DUMP AREA OF MBL'S BENGA MINE IN TETE

AGREEMENT NO. _____

DATED: ___/___/_____

AGREEMENT FOR SALE AND PURCHASE OF Thermal Coal

(In case of despatch from Beira port, all the below clauses shall be applicable. However, in case of despatch from Tete on FOT basis, only relevant clauses shall be applicable)

This Agreement made this _____ day of _____ two thousand and _____ between M/s. _____, a Company incorporated in _____ and having its Registered Office at _____, hereinafter called the "PURCHASER" (which term or expression unless excluded by or repugnant to the context shall include its successors and permitted assigns) of the FIRST PART, and Minas de Benga Limitada, a Company incorporated in Mozambique under the Laws of Mozambique, having its registered office at Av. 24 de Julho, 4^o Piso, No. 1123, Maputo, Mozambique, hereinafter called the "SELLER", (which term or expression unless excluded by or repugnant to the context shall include its successors and permitted assigns) of the SECOND PART.

WHEREAS acting on such representation of the PURCHASER and other commercial consideration, the PURCHASER has agreed to buy Thermal Coal from the SELLER and the SELLER has agreed to supply the said Thermal Coal on the price and other terms & conditions contained herein in this Agreement and according to the Tender Documents as per the **Open Tender No. MBL/TC/2020-01 dated 24th June 2020**

NOW THIS AGREEMENT WITNESSETH as follows:

CLAUSE 1 : MATERIALS, QUANTITY, QUALITY AND DELIVERY PERIOD

1.1 The SELLER shall sell and the PURCHASER shall buy a total quantity of () Metric Tonne (of one thousand kilograms each), subject to a tolerance of plus or minus 10 % (ten percent) at PURCHASER's option including shipping tolerance, of Thermal Coal, hereinafter referred to as the MATERIALS, in conformity with the Technical Specifications incorporated in Annexure – II to this Agreement and which shall constitute an integral part of this Agreement.

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1.2 For the purpose of this Agreement, the delivery period shall be reckoned as from _____ to _____. The SELLER reserves the right to postpone the deliveries upto _____ without any additional financial liability to the SELLER.

CLAUSE 2: PRICE

2.1 The price of the MATERIALS shall be API#4 average of 2 (two) weeks, price immediately prior to actual despatch less USD PMT. The FOT price shall be as per clause 16.6 , Part II of the bidding document.

2.2 The discount quoted shall be firm and shall not be subject to any escalation for any reason, whatsoever, until the completion of delivery of the entire Agreement quantity within the agreed delivery period with such extensions as might be mutually agreed upon between the SELLER and the PURCHASER.

CLAUSE 3: GENERAL CONDITIONS OF AGREEMENT (GCA)

This Agreement is subject to the terms & conditions contained in the General Conditions of Agreement (hereinafter referred to as "GCA") annexed to this Agreement (Annexure-I) which shall form an integral part of this Agreement. In case of any conflict between GCA and any provision hereinabove, the provision contained hereinabove shall prevail over "GCA".

CLAUSE 4 : PERFORMANCE BANK GUARANTEE/ SECURITY DEPOSIT

4.1 The PURCHASER shall deposit a Security deposit in SELLER's Bank Account or establish a Performance Bank Guarantee (hereinafter also referred to as "PG") in the prescribed binding Form (Annexure – IV to the Agreement), to be received in the office of the SELLER within 5 (five) business days of the date of this Agreement, for an amount of USD _____ (_____ United States Dollars) in favour of the SELLER.

4.2 The aforesaid PG established by the PURCHASER in favour of the SELLER for the due, timely and satisfactory performance and fulfilment of all the SELLER'S obligations under this Agreement in all respects, shall remain in full force and effect during the entire period required for satisfactory performance and fulfilment of the Agreement by the SELLER in all respects and shall continue to be in full force and effect for a period of six (6) months after the date of Bill of Lading of the last consignment of the MATERIALS under the Agreement.

OR

4.3 The PURCHASER shall deposit USD _____ (_____ United States Dollars) as Security deposit in SELLER's Bank Account:

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Bank Name : Standard Bank (Mauritius) Limited
Branch Name : Head Office
Account Holder Name : Minas de Benga, Limitada
Account Number : 9090000111939
IBAN Number : MU61SBIC2201900001119390000USD
BIC (SWIFT) : SBICMUMU
Currency : USD
Account type : Current Account

4.4. After the last shipment, the Security Deposit amount will be refunded to the PURCHASER, after adjustment, if any required.

4.5 The Performance Guarantee/ Security Deposit shall be forfeited in case of breach of any conditions of the Agreement.

4.6 The Performance Bank Guarantee shall be established through any Mozambican Bank acceptable to the SELLER (preferably "Standard Bank" or "BCI"). Performance Bank Guarantee issued directly by a foreign Bank to MBL shall not be accepted.

CLAUSE 5: LEGAL ADDRESS OF PARTIES

REGISTERED OFFICE

THE PURCHASER

.....

THE SELLER

Minas de Benga, Limitada
Av 24 de Julho,
4º Piso, No. 1123,
Bairro da Polana,
Cimento B, Maputo,
Moçambique.

ADDRESS FOR CORRESPONDENCE

1.

THE PURCHASER

2. Minas de Benga, Limitada
HOD (Procurement)

THE SELLER

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**ICVL Training Centre
Bairro Comunal de Matundo, Parcela No. 1049
Estrada Nacional No. 103
Tete, Moçambique**

ANNEXURE – I GENERAL CONDITIONS OF AGREEMENT (GCA)

ANNEXURE – II TECHNICAL SPECIFICATIONS

ANNEXURE – IIA BONUS AND PENALTIES

ANNEXURE – III FORM FOR PERFORMANCE BANK GUARANTEE

IN WITNESS WHEREOF the parties hereto have executed these presents at _____ on the day, month and year first above written:

**FOR AND ON BEHALF OF
THE SELLER**

Signature:

Name:

Designation:

Company: Minas de Benga Lda

Place: Maputo, Mozambique

**FOR AND ON BEHALF OF
THE PURCHASER**

Signature:

Name:

Designation:

Company:

Place :

IN THE PRESENCE OF:

IN THE PRESENCE OF:

1. Signature:

Name:

Signature:

Name:

[Type text]

Designation:

Company : Minas de Benga, Lda

Place : Maputo, Mozambique

Designation:

Company:

Place :

2. Signature:

Name:

Designation:

Company: Minas de Benga Lda

Place : Maputo, Mozambique

Signature:

Name:

Designation:

Company:

Place :

[Type text]

ANNEXURE – I

TO

AGREEMENT No _____ DATED _____

GENERAL CONDITIONS OF AGREEMENT (GCA)

PARA 1.: SAMPLING AND ANALYSIS

1.1 The SELLER shall furnish to the PURCHASER the Certificate of Sampling and Analysis issued by the independent inspection agency indicating:

LOADPORT ANALYSIS:

- (a) Total Moisture**
- (b) Ash**
- (c) Volatile Matter**
- (d) Total Sulphur**
- (e) Net Calorific Value on as received basis in kcal/kg.**
- (f) HGI**

1.2 For the purpose of this Agreement, the results of analysis of the MATERIALS carried out by the independent inspection agency at MBL shall be final and shall form the basis of the SELLER'S invoice.

PARA 2. : QUALITY AND WEIGHT VARIATIONS MATERIAL DIFFERENCES

2.1 Results certified by the Independent Inspection Agency shall form the basis of payment which will be considered as final and binding on both the parties.

PARA 3. : INSURANCE

3.1 The PURCHASER shall, at his own expense, arrange for suitable insurance cover for the MATERIALS delivered by the SELLER.

[Type text]

PARA 4. :TERMS OF PAYMENT

4.1 THE PURCHASER SHALL PAY IN ADVANCE BEFORE LIFTING THE MATERIAL.

Payment currency in case of Export shall be USD and in case of local sale (within Mozambique) it shall be MZN. The Advance amount to be deposited as per the bank details which shall be provided in the Proforma Invoice for remittance of the amount in advance.

4.2. In case of export the buyer should deposit 100% Payment in Advance before placement of truck/vessel to MBL`s bank account (Banco Comercial e de Investimentos, SARL, Mozambique):

Bank Name : Banco Comercial de Investimentos S.A.
Account Name : Minas de Benga Limitada
Account Number: 137311358-1300-1
IBAN No : MZ59000800003731135813105
Swift Code : CGDIMZMA
NIB Number : 000800003731135813105
Currency : USD

In the case of local sales, Bank account details will be provided in the PI to which 100% advance deposit to be made.

4.3 Any additional Tests, Certificates, documents, etc, required by the PURCHASER, may be directly obtained from the concerned agencies, in consultation with the SELLER. Any additional charges/Fees that need to be paid on this account, has to be paid directly by the PURCHASER to such agencies.

PARA 5 : DELIVERY

5.1 The buyer will arrange its own truck (s) for taking delivery at MBL`s Benga mine premises at Tete, Mozambique.

5.2 The terms of delivery of the MATERIALS shall be as per Annexure – III, which shall constitute an integral part of this Agreement.

5.3 The PURCHASER shall lift the full contracted quantity as per schedule, unless agreed by MBL, failing which the Performance Bank Guarantee shall be encashed and the Agreement terminated. In case the extension is granted by the SELLER, then in that case the Performance Guarantee shall not be encashed.

[Type text]

PARA 6. : TERMINATION

If the SELLER/PURCHASER commits breach of any provisions of this Agreement, the SELLER/PURCHASER shall notify the SELLER/PURCHASER to remedy such breach within a reasonable period. If breach continues to occur, the SELLER/PURCHASER shall have the right to terminate this Agreement.

PARA 7. : RESPONSIBILITY

The SELLER on the one hand and the PURCHASER on the other hand shall be responsible for the performance of all their respective obligations under this Agreement.

PARA 8. : TRANSFER AND SUB-LETTING

The PURCHASER shall not sublet, transfer, assign or otherwise part with the Agreement or any part thereof, either directly or indirectly, without the prior written permission of the SELLER.

PARA 9. : EXPORT LICENCE

It shall be the responsibility of the SELLER to obtain the requisite Export License and comply with other relevant laws of its country for export of the MATERIALS.

PARA 10. : TAXES AND DUTIES

The PURCHASER shall be entirely responsible for all taxes, stamp duties, License fees and other such levies imposed outside the SELLER's country.

PARA 11. : COMPLETENESS OF THE AGREEMENT AND MODIFICATION

This Agreement cancels all previous negotiations between the parties hereto. There are no understandings or agreement between the PURCHASER and the SELLER which are not fully expressed herein and no statement or agreement, oral or written, made prior to or at the signing hereof shall affect or modify the terms hereof or otherwise be binding on the parties hereto. No change in respect of the terms covered by this Agreement shall be valid unless the same is agreed to in writing by the parties hereto specifically stating the same as an amendment to this Agreement.

PARA 12 : WAIVER

Failure to enforce any condition herein contained shall not operate as a waiver of the condition itself or any subsequent breach thereof.

[Type text]

PARA 13. : FORCE MAJEURE

13.1 If the SELLER be prevented from discharging its or their obligation under this Agreement by reason of an unforeseeable and unavoidable event beyond its reasonable control inter alia including arrests or restraints by Government or people, war, blockade, revolution, insurrection, mob violence, strikes, terrorist activities, civil commotions, civil, political or social unrest, Acts of God, plague or other epidemics, destruction of the MATERIALS by fire or flood or other natural calamity, incidents and issues interfering with the production, transportation, loading, then the time for delivery shall be extended by the time or times, during which production, transportation or loading is prevented by any such causes as hereinabove mentioned. The party invoking protection under this clause shall put the other party on notice and shall likewise intimate/notify the cessation of such causes. The delivery shall be resumed by the Party/Parties within 15 (fifteen) days from the cessation of the *Force Majeure* causes.

13.2 Should there be any interruptions in the delivery of the MATERIALS due to *Force Majeure* circumstances, the period of offtake of the MATERIALS by the PURCHASER/ period of loading of the MATERIALS by the SELLER shall automatically stand extended, equal to the actual duration of the causes interrupting the delivery of the MATERIALS by the SELLER plus a period of 2 (two) weeks to enable the affected party to make suitable arrangements for normalization of shipments.

PARA 14. : ARBITRATION

All disputes arising in connection with the present Agreement shall be settled under the Rules of Arbitration of the International Chamber of Commerce, Paris by the Sole Arbitrator appointed in accordance with the said Rules and the Award made in pursuance thereof shall be binding on the parties. The Arbitrator shall give a reasoned award. The venue and seat of arbitration shall be Maputo.

PARA 15. : LEGAL INTERPRETATIONS

15.1 This Agreement shall be governed by and construed according to the laws of Mozambique for the time being in force.

15.2 To interpret all the commercial terms and abbreviations used herein which have not been otherwise defined, the rules of "INCOTERMS 2010" shall be applied.

FOR AND ON BEHALF OF THE PURCHASER

FOR AND ON BEHALF OF THE SELLER

[Type text]

ANNEXURE – II

TO

AGREEMENT NO. _____ DATED _____

TECHNICAL SPECIFICATION OF THERMAL COAL

Parameters	Basis	Value	Rejection Limit
Net Calorific Value kcal/kg	Ar	5500	Less than 5300
Total Sulphur % (ISO 19579)	Ad	1 max	More than 1.2
Ash % (ISO 1171)	Ad	28 max	More than 31
Total Moisture % (ISO 589)	Ar	6 max	
Volatile Matter % (ISO 562)	Ad	17 min	
Hardgrove Grindability Index		65-75	
Size (ISO 1953)	Mm	0-50	

ANNEXURE – IIA

BONUS & PENALTIES

S. N.	Technical Paramaters	Basis for application of Bonus/ Penalty in price	Penalty in US \$ per Metric Tonne
(1)	(2)	(3)	(4)
1.	Ash	Penalty for every increase of 1% (fractions pro-rata) in Ash content in excess of the specification of 28% Max upto 31%	1.2% of the FOB Price
2.	Sulphur	Penalty for every increase of 0.1% (fractions pro-rata) in Sulphur content in excess of 1% upto 1.2%	1% of the FOB Price
3.	Total Moisture	If the Total Moisture (on "As received" basis) in the MATERIALS as disclosed in the Certificate of Sampling and Analysis at Loadport is in excess of 6%, the Loadport Draught Survey Weight shall be subject to adjustment for the purpose of invoicing i.e. the invoice weight shall be reduced by the excess percentage of Total Moisture over 6% @ 1.3% for every 1% increase over 6% (fractions pro-rata).	

ANNEXURE - III

AGREEMENT NO. _____ DATED _____

FORM OF PERFORMANCE BANK GUARANTEE

TO
MINAS DE BENGA, LIMITADA
Av. 24 de Julho,
nº 1123, 4º Piso
Maputo –
Moçambique

Bank Guarantee No. _____ Dated ____/____/_____

LETTER OF GUARANTEE

1. WHEREAS MESSRS Minas de Benga, Limitada (hereinafter referred to as the SELLER) and MESSRS. _____ (hereinafter referred to as the PURCHASER) have entered into the Agreement No. _____ Dated _____ (hereinafter called the "said AGREEMENT") for the supply of _____ (_____)

Metric Tonne of Thermal Coal (hereinafter referred to as the MATERIALS) on the terms & conditions mentioned therein.

2. WE, _____ at the request of the PURCHASER, do hereby undertake and indemnify and keep indemnified the SELLER to the extent of US\$ _____ (United States Dollar _____ only)

against any loss or damage that may be caused to or suffered by the SELLER, by reason of any breach by the PURCHASER of any of the terms & conditions of the said AGREEMENT and/or in the performance of the said AGREEMENT by the PURCHASER. We agree that the decision of the SELLER as to whether any breach of any of the terms & conditions of the said AGREEMENT or in the performance thereof has been committed by the PURCHASER and the amount of loss or damage that has been caused to or suffered by the SELLER shall be final and binding on us and the amount of the said loss or damage shall be paid by us forthwith to the SELLER on first demand and without protest or demur.

3. WE, _____, hereby further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for satisfactory performance and fulfillment in all respects of the said AGREEMENT and that it shall continue to be enforceable for (a) 3 (three) months after the date of delivery of the last consignment of the MATERIALS under the said AGREEMENT or, (b) in the event of any dispute(s) between the PURCHASER and the

SELLER, until such period(s) the dispute is fully settled, whichever date is later, and that if any claim accrues or arises against us, _____, by virtue of this Guarantee before the dates referred to at (a) and (b) herein above, the same shall be enforceable against us, _____, notwithstanding the fact that the same is enforced after the dates referred to at (a) or (b) hereinabove, whichever date is later, provided that notice of any such claim has been given by the SELLER before the dates referred to at (a), or (b) herein above, as the case may be. Payments under this LETTER OF GUARANTEE shall be made promptly upon our receiving the notice to that effect from the SELLER on demand and without protest or demur.

4. It is fully understood that this Guarantee shall become effective from the date of the said AGREEMENT and that WE, _____, undertake not to revoke this Guarantee during its currency without the prior written consent of the SELLER.

5. WE, _____, hereby further agree that the SELLER shall have the fullest liberty, without affecting in any manner our obligations hereunder, to vary any of the terms & conditions of the said AGREEMENT or to extend the time of performance of the said AGREEMENT by the SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the SELLER against the SELLER and to forbear or to enforce any of the terms & conditions relating to the said AGREEMENT and WE, ___ shall not be released from our liability under this Guarantee by reason of any such variation or extension being granted to the SELLER or any forbearance and/or omission on the part of the SELLER or any indulgence by the SELLER or by any other matter or thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of so releasing us from our liability under this Guarantee.

6. WE, _____, hereby further agree that the Guarantee herein contained is initially valid up to ___ and that the same shall be extended further according to the provisions contained hereinabove.

7. _____ WE, _____, hereby further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the SELLER and/or the SELLER.

FOR AND ON BEHALF OF
DULY CONSTITUTED ATTORNEY & AUTHORISED
SIGNATORY

Signature:

Name:

Designation:

Place.....

dated:

The Performance Bank Guarantees shall be established in favour of Minas de Benga, Lda. through any Mozambican Bank acceptable to the SELLER (preferably "Standard Bank" or "BCI") or through a Mozambican branch of a reputed Foreign Bank having high safety for credit rating

Rajendra Kumar Mishra HOD (Procurement)