

**China Beijing International Mining Exchange  
Iron Ore Purchase and Sales Contract**

AND

Contract No:

Date of Contract:

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<b>Seller</b>	a company duly established under the laws of _____ and having its legal address at _____.
<b>Seller's notice address and contact information</b>	Address: _____. Attention: _____. Phone: _____. Fax: _____. Email: _____.
<b>Buyer</b>	a company duly established under the laws of _____ and having its legal address at _____.
<b>Buyer's notice address and contact information</b>	Address: _____. Attention: _____. Phone: _____. Fax: _____. Email: _____.

Seller and Buyer are hereinafter collectively referred to as the "Parties" and individually a "Party".

WHEREAS:

- A. The Parties are both the Trading Members of China Beijing International Mining Exchange (“CBMX”).
- B. The Party has agreed the other Party as its trading counterparty for iron ore spot trading and the Parties have signed *Confirmation Letter of Iron Ore Spot Trading Counterparties of China Beijing International Mining Exchange* in accordance with *Regulations on Iron Ore Spot Trading of China Beijing International Mining Exchange (Trial Implementation)*.
- C. The Parties have concluded a deal for Delivering Cargo on China Iron Ore Spot Trading Platform in accordance with the *Regulations on Iron Ore Spot Trading Of China Beijing International Mining Exchange (Trial Implementation)* and other Measures of Iron Ore Spot Trading of China Beijing International Mining Exchange (collectively refer to as the “Regulations”) published on CBMX’s website (Deal NO in Electronic Confirmation Letter: \_\_\_\_\_).
- D. The Electronic Confirmation Letter between Seller and Buyer forms a compulsory part of this Contract. If this Contract contradicts with the Electronic Confirmation Letter, this Contract shall prevail.

This Contract is made by the Parties, whereby Buyer agrees to buy and Seller agrees to sell the under mentioned Cargo on the terms and conditions stated below.

## 1. Definitions

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The following definitions apply unless the context requires otherwise:

**Base Price** means the unit price based on dry basis at Fe basis content, other chemical compositions, moisture content and physical specifications as set out in clause 2.8.

**B/L** means Bill of Lading.

**Cargo** means the iron ore specified in clause 2 of this Contract which is a trading product listed in *Specification for the Trading Product of Iron Ore Spot Trading of China Beijing International Mining Exchange (Trial Implementation)*.

**CCIC** means China Certification and Inspection (Group) Co., Ltd..

**Certificate of Analysis** means the analysis of quality issued by an independent surveyor or the producer of Cargo at the load port.

**CFR** means the price given by International Rules for the Interpretation of Trade Terms.

**CFR Value** is the price multiplied the DMT.

**Adjusted CFR Value** means the value adjusted in accordance with clause 3 and clause 4 based on CFR Value.

**China** means the People's Republic of China, not including Hong Kong and Macau Special Administrative Regions and Taiwan.

**CIQ** means China Inspection and Quarantine Bureau.

**CIQ Certificates** are the certificate issued by CIQ at discharge port, including Inspection Certificate of Quality and Inspection Certificate of Weight.

**Contract** means this Contract, and the Electronic Confirmation Letter is a part of this Contract.

**Delivering Cargo** means one of trading products as set out in Article 13 of *Regulations on Iron Ore Spot Trading Of China Beijing International Mining Exchange (Trial Implementation)*.

**DMT** means a tonne on a dry basis.

**DMTU** means the price of each Fe content per DMT, i.e. Base Price divided by Fe basis content listed in Clause 2.8 A.

**Draft Survey Certificate of Weight** means the certificate of weight issued by independent surveyor or the producer of Cargo at the load port.

**DWT** means the dead weight tonne.

**Electronic Confirmation Letter** is generated by the System in accordance with Article 23 of the *Regulations on Iron Ore Spot Trading of China Beijing International Mining Exchange (Trail Implementation)*.

**ETA** means the estimated time of arrival.

**GRT** means gross register tonne.

**Inspection Certificate of Quality** means the analysis of quality issued by CIQ at the

discharge port.

**Inspection Certificate of Weight** means the certificate of weight issued by CIQ at the discharge port.

**Intertek** means Intertek Group plc.

**ISO** means International Standards Organization.

**Laytime** is the amount of time allowed in hours or days for the discharging of Cargo.

**Laycan** means a period expressing a number of days to be fixed within a set of begin and end date of the Cargo delivery this Contract.

**LOA** means the length over all.

**NOR** means the notice of readiness.

**NRT** means net register tonne.

**SGS** means Societe Generalede Surveillance S.A..

**System** is China Iron Ore Spot Trading System, which is an electronic trading system for iron ore transaction of CBMX.

**Trading Member** means the enterprises provided in Article 2 of *Measures for Membership Administration for Iron Ore Spot Trading of China Beijing International Mining Exchange(Trail Implementation)*.

**USD** means United States dollar.

**WMT** means a tonne on a natural basis.

**Working Day** means any day (other than Saturday and Sunday and the public holiday of the countries of the Parties) on which banks in the countries of the Parties are open for business.

**WWD** means weather-working day.

For the purpose of this Contract, “below” or “within” shall not include the given figure.

## **2. Description of Cargo**

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2.1 Name of the Cargo: \_\_\_\_\_

2.2 Origin: \_\_\_\_\_

2.3 Packing: Loose in bulk

2.4 Load Port: \_\_\_\_\_

2.5 Discharge Port (Delivery Port): \_\_\_\_\_

2.6 Laycan: \_\_\_\_\_ and/or B/L date: \_\_\_\_\_

2.7 Deal Quantity: \_\_\_\_\_ WMT (Tolerance +/-10%)

## 2.8 Specifications

### 2.8.1 Guarantee Value

#### 2.8.1.1 Chemical Composition (on dry basis)

Element	Guarantee Value (%)		Element	Guarantee Value (%)	
Fe		Basis	CaO		Max
		Min	K <sub>2</sub> O		Max
SiO <sub>2</sub>		Max	MgO		Max
Al <sub>2</sub> O <sub>3</sub>		Max	Na <sub>2</sub> O		Max
P		Max	TiO <sub>2</sub>		Max
S		Max	FeO		Max
Mn		Max	LOI		Max

#### 2.8.1.2 Moisture Content (Free moisture loss at 105 degrees celsius)

Moisture	Guaranteed (%)	
H <sub>2</sub> O		Max

#### 2.8.1.3 Physical Specification

Size		Unit	Guaranteed (%)	
+		Mm		Max
-		Mm		Max
-		Mesh		Max

### 2.8.2 Value on Certificate of Analysis at Load Port (Loading Inspection Result)

2.8.2.1 Chemical Composition (on dry basis)

Element	Certificate of Analysis (%)	Element	Certificate of Analysis (%)
Fe		CaO	
		K <sub>2</sub> O	
SiO <sub>2</sub>		MgO	
Al <sub>2</sub> O <sub>3</sub>		Na <sub>2</sub> O	
P		TiO <sub>2</sub>	
S		FeO	
Mn		LOI	

2.8.2.2 Moisture Content (Free moisture loss at 105 degrees celsius)

Moisture	Certificate of Analysis (%)
H <sub>2</sub> O	

2.8.2.3 Physical Specification

Size	Unit	Certificate of Analysis (%)
+	Mm	
-	Mm	
-	Mesh	

**3. Base Price and Price Adjustment**

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3.1 Base Price

The Base Price shall be USD/DMT, Fe % basis, CFR Qingdao Port.

3.2 Delivery Basis/Discharge Port

Delivery basis on CFR Qingdao, China (In case Buyer chooses as discharge port, a port



in China other than Qingdao Port, Base Price to be adjusted accordingly to the Electronic Confirmation Letter).

Seller is not obliged to deliver the Cargo until Buyer has established a Documentary Letter of Credit acceptable to Seller.

Buyer may declare alternate discharge ports three (3) days on/before the Cargo arriving at Singapore or within three (3) days after vessel departed from load port, in which case freight differentials to the alternate discharge ports shall be calculated on an equivalent time charter basis as freight difference stated in the Electronic Confirmation Letter.

3.3 Price Adjustment (The Parties choose No. \_\_\_ as the adjustment of Base Price.)

If the shipment differs from specifications as set out in Clause 2.8, Buyer shall still accept the shipment except the condition stated in clause 3.3 A1 (4), but the Base Price for the shipment should be adjusted as below:

A. Fe content

A1. For Fe Content (as per the Electronic Confirmation Letter or the Parties agreed)

- (1) The Base Price shall be increased by USD \_\_\_ per DMT for each 1% Fe content above \_\_\_ % (Fe basis content), fractions pro-rata.
- (2) The Base Price shall be decreased by USD \_\_\_ per DMT for each 1% Fe content below \_\_\_ % (Fe basis content) but up to \_\_\_ % (Fe min content), fractions pro-rata.
- (3) The Base Price shall be decreased by USD \_\_\_ per DMT for each 1% Fe content below \_\_\_ % (Fe min content), fractions pro-rata.
- (4) If the Fe content of the shipment is below the value which equal Fe min content minus 2%, Buyer has the right to reject the shipment. The Base Price should be adjusted as below:  
The Base Price shall be decreased by USD \_\_\_ per DMT for each 1% Fe content, fractions pro-rata.

A2. For Fe Content (If not stated in Electronic Confirmation Letter or the Parties do not agree with the Price Adjustment)

- (1) The Base Price shall be increased by DMTU price for each 1% Fe content above basis Fe content, fraction pro-rata.
- (2) The Base Price shall be decreased by DMTU price for each 1% Fe content below basis Fe content, fraction pro-rata.

B. Chemical Composition (other than Fe content)

If the shipment does not meet any of the chemical specifications (other than Fe content) as set forth in clause 2.8 ( and/or in the Electronic Confirmation Letter), the Base Prices shall be decreased (fractions pro rata) as follows:

B.1 As per stated in the Electronic Confirmation Letter.

B.2 If not stated in the Electronic Confirmation Letter:

- (1) For excess silica ( $\text{SiO}_2$ ) – at the rate of USD 0.05 per DMT for the Cargo for each 1.00% in excess of \_\_\_ %( $\text{SiO}_2$  max content).
- (2) For excess alumina ( $\text{AL}_2\text{O}_3$ ) – at the rate of USD 0.05per DMT for the Cargo for each 1.00% in excess \_\_\_ %( $\text{AL}_2\text{O}_3$  max content).
- (3) For excess sulphur(S) – at the rate of USD 0.05per dry metric tonne for the Cargo for each 0.01% in excess of \_\_\_ %(S max content).
- (4) For excess phosphorous (P) – at the rate of USD 0.05per dry metric tonne for the Cargo for each 0.01% in excess of \_\_\_ %(P max content).

C. Moisture

If free moisture loss at 105 degrees celsius exceeds the maximum free moisture content as set forth in clause 2.8 (and/or in the Electronic Confirmation Letter), Seller shall pay Buyer the full actual freight attributable to the tonnage representing the excess moisture content.

#### D. Sizing specifications

If the shipment of the Cargo does not meet any of the sizing specifications as set forth in clause 2.8, the Base Price shall be decreased (fractions pro rata) at the rate set out as below (on natural basis):

Column (a)	Column (b) Size	Column (c) Base price shall be decreased as follows:
Maximum size	Mm	At the rate of USD __ per WMT that does not pass through a __ mm square aperture screen and is in excess of __ %
Minimum size	Mm	At the rate of USD__ per WMT that passes through a __ mm screen and which is in excess of __ %
Minimum size	Mesh	At the rate of USD __ per WMT that passes through a __ mm screen and which is in excess of __ %

#### **4. Sampling, Analysis and Weight Determination**

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##### 4.1 Sampling and Analysis

A. Seller shall provide Buyer with a Certificate of Analysis issued by independent surveyor (such as SGS, Intertek, CCIC, etc.) or the producer of the Cargo, as mutually agreed between the Parties. The independent surveyor or producer of the Cargo shall perform sampling, moisture (including percentage of free moisture loss at 105 degrees celsius), sizing and chemical analysis at the load port.

The Certificate of Analysis, showing details of the determination of sampling moisture, chemical and sizing analyse, shall be provided to Buyer no later than the arrival of the vessel at the discharge port.

B. Buyer shall at its own expense arrange CIQ to perform sampling, moisture

(including percentage of free moisture loss at 105 degrees celsius), sizing and chemical analyses at the discharge port.

Inspection Certificate of Quality showing details of the determination of sampling moisture, chemical composition and sizing analysis should be issued within sixty (60) days after completion of discharge at the discharge port by CIQ. Once the Inspection Certificate of Quality is issued by CIQ, Buyer should promptly forward that to Seller by email.

The moisture, Fe content and all other chemical and physical specifications in Inspection Certificate of Quality shall be final and binding upon the Parties and shall be the basis for final invoice except as otherwise provided in clause 4.1C and 4.1D.

- C. In case moisture, sizing, and chemical analyse is not executed or executed on time at the discharge port by CIQ, Certificate of Analysis issued at the load port shall be final and binding for final invoicing purposes.
- D. If the difference of Fe content between the Inspection Certificate of Quality at discharge port and Certificate of Analysis at load port is greater than 0.50% or if there exists a significant difference between the two analyses in respect of any one or more chemical and physical contents other than Fe, including free moisture at 105 degrees celsius, the Parties shall consult to reconcile the difference. If the difference cannot be reconciled, the arithmetic average of Inspection Certificate of Quality and Certificate of Analysis shall be final.
- E. Sampling, moisture as well as chemical and sizing analyses procedures shall be performed in accordance with applicable standard of ISO.

Each of the Parties shall have the right to appoint a representative to attend and observe the procedure of sampling, moisture, sizing and chemical analyses at its own cost and expense.

#### 4.2 Weight Determining

- A. Seller shall provide Buyer with a Draft Survey Certificate of Weight issued by an independent surveyor (such as SGS, Intertek, CCIC, etc.) or the producer of the Cargo, as mutually agreed between the Parties. The independent surveyor or producer of the Cargo shall perform weighing operations at the load port, showing details of the determination of weight.

The weight will be determined by draft survey, in accordance with international practice, and shall be the basis for the B/L.

- B. Buyer shall at its own expense arrange CIQ to perform weighing of the shipment at the discharge port by draft survey in accordance with international practice and Inspection Certificate of Weight should be issued within sixty (60) days by CIQ after completion of discharge. The dry quantity shall be determined by deducting the free moisture from such quantity (on natural basis). The weight in Inspection Certificate of Weight shall be final except as otherwise provided in clause 4.2C and 4.2 D.
- C. In case weighing is not executed or executed on time at the discharge port by CIQ, the weight as determined by Draft Survey Certificate of Weight at the load port shall be final and binding for final invoicing purposes.
- D. If after the determination of the weight of a shipment in accordance with this clause 4.2, the difference in percentage of weight between Inspection Certificate of Weight at discharge port and Draft Survey Certificate of Weight at load port is greater than

0.50% on a natural basis, the Parties shall consult to reconcile the difference. If the difference cannot be reconciled, the arithmetic average of weight in Inspection Certificate of Weight and Certificate of Analysis shall be final.

The difference in percentage of weight would be calculated as follows:

(Draft Survey Certificate of Weight - Inspection Certificate of Weight)

Draft Survey Certificate of Weight

E. Weighting procedure shall be performed in accordance with international practice,

Each of the Parties shall have the right to appoint a representative to attend and observe the procedure of weighting determination at its own cost and expense.

## **5. Payment**

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Payment to be made during the execution of this Contract includes provisional payment and final payment.

The provisional payment is made by way of Documentary Letter of Credit. Buyer shall open an irrevocable and workable Documentary Letter of Credit payable at sight in favor of Seller for an amount in USD sufficient to cover one hundred percents (100%) of the CFR Value at the Base Price plus ten (10) percent, with a first-class international bank (issuing bank) in the region or country which Buyer prefers and is also acceptable to Seller, Seller should reply promptly to Buyer when Buyer inquiry whether the issuing bank is acceptable.

The Documentary Letter of Credit shall be issued no later than five (5) Working Days after this contract signed by the Parties.

### 5.1 Provisional payment

The said Documentary Letter of Credit shall be made against presentation of Seller's draft payable at sight for the amount of one hundred percents(100%) of CFR Value at the weight on Draft Survey and the price adjusted based on the Certificate of Analysis in accordance with clause 3 accompanied by the documents as stipulated in clause 5.2 A. The documents should be provided by Seller to the negotiating bank.

## 5.2 Final payment

The balance of Adjusted CFR Value due to Seller or Buyer after provisional payment shall be made against presentation of Seller's together with the documents stated in clause 5.2 A within sixty-five (65) days after completion of discharge.

If CIQ Certificates are not issued within sixty (60) days after completion of discharge at the discharge port, final payment should be computed based on the Certificate of Analysis and Draft Survey Certificate of Weight and Seller should prepare the documents stated in clause 5.2 B.

The documents related to final payment should be provided by Seller to Buyer.

### A. Documents for provisional payment

- (1) Full set (3/3) of original clean on board B/L made out to order and blank endorsed marked "freight payable as per charter party" notifying to order.
- (2) Beneficiary's provisional invoice for 100% of CFR Value at the weight on Draft Survey and the price adjusted based on the Certificate of Analysis in accordance with clause 3, indicating Contract Number, name of carrying vessel and number of Documentary Letter of Credit, in three originals and one copy.
- (3) Certificate of Analysis in one original and four copies.
- (4) Draft Survey Certificate of Weight in one original and four copies.
- (5) Certificate of Origin in one original and four copies issued by producer or relevant institution or organization.

(6) Others documents required by the issuing bank.

B. Documents for final payment

B.1 If CIQ Certificates issued within sixty (60) days after completion of discharge:

- (1) Beneficiary's signed final invoice in three originals and one copy, based on the copies of Inspection Certificate of Quality and Inspection Certificate of Weight.
- (2) One copy of Inspection Certificate of Quality.
- (3) One copy of Inspection Certificate of Weight.

B.2 If CIQ Certificates are not issued within sixty (60) days after completion of discharge:

- (1) Beneficiary's signed final invoice in three originals and one copy, based on the copies of Certificate of Analysis and Draft Survey Certificate of Weight.
- (2) One copy of Certificate of Analysis.
- (3) One copy of Draft Survey Certificate of Weight.

**6. Vessel Nomination and Notice of Arrival**

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6.1 All vessels to carry under this Contract shall be chartered and allocated by Seller. Seller shall provide a vessel suitable for discharging at Buyer's discharging facilities.

6.2 Seller shall submit vessel nomination notice and provide full vessel's particulars to Buyer and get the confirmation of acceptance of the vessel from Buyer before chartering the vessel. The vessel nomination notice should involve the vessel name, approximate DWT, LOA, Beam, GRT, NRT, the estimated loaded draft, and the estimated quantity to be loaded at least.

6.3 Buyer must confirm with Seller within one (1) Working Day of its receipt of the vessel nomination notice whether Buyer accept vessel or not, which must not be



unreasonably withheld.

Thereafter, Seller may nominate a substitute vessel at any time for Buyer's acceptance. Buyer must notify Seller within one (1) Working Day of its receipt of the nomination notice whether or not Buyer approves the substitute vessel, which must not be unreasonably withheld.

6.4 After the loading is completed and the vessel sails from the load port, Seller and/or its ship-managing company will notify Buyer the sailing date, time, B/L quantity, and ETA at the discharge port.

6.5 Seller shall arrange for the master of the vessel to give Buyer Four (4) notices of the ETA of the vessel at the discharge port. The first notice shall be given at least seven (7) days prior to the ETA of the vessel and the second notice shall be given five (5) days prior to the ETA of the vessel. The third and the fourth notices shall be given forty eight (48) hours and twenty four (24) hours respectively prior to the vessel's ETA.

6.6 Seller shall nominate vessels with an age up to twenty (20) years, full year included. In case vessel is over fifteen (15) years up to twenty (20) years of age, Seller shall provide Buyer with the corresponding documents. If the vessel is over twenty (20) years of age, the extra insurance charge due to vessel age, if any, is for Seller's account, who will reimburse Buyer through final payment.

6.7 Buyer guarantees to provide one safe berth at discharge port upon vessel arrival to accommodate a vessel with Beam and LOA as per permissible limits. In case of any restrictions at discharge port with regards to vessels LOA/BEAM/DRAFT, Buyer shall advice Seller prior to confirming of vessel.

6.8 Seller shall have no obligation to load the vessel if an operative Documentary Letter of Credit is not received prior to berthing of the vessel. Buyer is liable for a detention chargeable on daily basis at the same rate as demurrage under this Contract incurred to berth the vessel until acceptable Documentary Letter of Credit is received by Seller.

## **7. Agency, Port Charges, Dues and Taxes**

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7.1 The vessel shall be consigned at the discharge port to an agent nominated by Buyer and acceptable to Seller.

7.2 Seller will only be liable for port charges associated with bringing the vessel alongside the discharge berth.

7.3 Any and all taxes, dues and wharfage on the shipment as levied by the discharge port are for Buyer's account.

## **8. Notice of Readiness**

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8.1 Notice of Readiness for discharging may be tendered any time day or night Saturdays, Sundays or public holidays included, to Buyer or its nominated agent after each vessel arrives at the customary waiting place at the discharge port and provided the vessel is in all respects ready to discharge.

8.2 Notice of Readiness may be tendered whether or not the vessel is in berth, in free pratique or in customs clearance, the master of vessel must possess a valid gas free certificate and present the same as required by the port/harbour authority or berth operator.

8.3 In the event that free pratique and/or customs clearance is not granted, or the vessel is otherwise not ready in all respects to discharge, the previously tendered Notice of

Readiness will be void and a new Notice of Readiness must be tendered when the vessel is in all respects ready to discharge.

8.4 Notice of Readiness at a second discharge port (if agreed) is required unless Seller is advised otherwise by Buyer.

## **9. Counting of Laytime**

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9.1 Laytime will commence counting twelve (12) hours after a valid Notice of Readiness has been tendered or when discharging commences, whichever occurs first.

9.2 Laytime will cease on completion of discharge, but any extra time used for draft survey will count as Laytime.

9.3 If Buyer and Seller agree that the vessel may discharge at two ports, time will not count from the time of completion of discharging at the first port until the arrival of the vessel at the second port, whether in berth or not.

9.4 Time used in shifting directly between berths at Buyer's request will count as Laytime and all costs and expenses associated with the shifting will be for Buyer's account.

9.5 Shifting at the Buyer's or the port authority's request after vessel is berthed will count as Laytime and the cost of such shifting will be for the Buyer's account.

9.6 Shifting from anchorage to berth will not count as Laytime.

9.7 Any time lost during discharging due to the vessel's inability to discharge at the applicable discharge rates determined in accordance with Clause 10 or due to any

other defect and/or default in the vessel, deficiency and/or default of the vessel's personnel, including inability of the vessel to ballast or deballast at a rate commensurate with the respective discharging rate, will not count as Laytime. With the exception of consequential losses, any time lost by the vessel in obtaining gas free clearance will be for Seller's account.

9.8 If Buyer nominated discharging berth is not free and available and able to be approached and reached upon arrival of the vessel so as to enable discharging operations to commence immediately, all time lost in waiting for a safe discharging berth (including time lost in waiting for a safe approach) or anchorage will count as Laytime, regardless of the cause of time lost.

9.9 If a Notice of Readiness is tendered during the time when work is actually stopped for twenty four (24) consecutive hours Saturday, Sunday and public holidays or part days thereof included, or prevented due to a Force Majeure Event, weather conditions and/or port closure declared by the port authority, Laytime will commence twelve (12) hours after tender of Notice of Readiness, whether in berth or not, unless discharging has commenced, in which case Laytime will commence at the time discharging commences.

9.10 Any event when work is actually stopped for twenty four (24) consecutive hours, Saturday, Sunday and public holidays or part days thereof included, or prevented due to a Force Majeure Event, weather conditions and/or port closure declared by the port authority, will not interrupt the counting of Laytime for any vessels already on demurrage at the commencement of such event.

9.11 Laytime permitted at the discharge port will be calculated on B/L quantity.

9.12 Upon completion of discharge, Seller will arrange for the master of the vessel to

sign on behalf of Seller and Buyer will arrange for a person designated by Buyer to sign on behalf of Buyer, a statement of facts which will form the basis of calculating Laytime between Buyer and Seller.

## **10. Discharge Rate**

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Unless otherwise agreed between Buyer and Seller, Buyer must discharge Cargo from the vessel at \_\_\_\_\_ WMT per WWD of twenty four (24) consecutive hours in accordance with Electronic Confirmation Letter.

## **11. Demurrage and Dispatch**

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11.1 Unless otherwise agreed between Buyer and Seller, demurrage is payable at USD per day pro rata in accordance with Electronic Confirmation Letter.

11.2 Demurrage at the discharge port will be paid by Buyer to Seller for all time taken after the expiration of Laytime.

11.3 Dispatch at half of the demurrage rate shall be paid by Seller to Buyer for all unused Laytime.

11.4 Seller will include any demurrage and dispatch on its final invoice, to be settled at the same time that final payment is made by Buyer to Seller pursuant to the payment provisions of this Contract.

## **12. Stevedore Damage**

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12.1 The master or owner of the vessel shall use stevedores nominated and paid by Buyer at the discharge port who shall be servants of the owner of the vessel and shall work under the supervision of the master of the vessel.

12.2 In case of any damage to the vessel caused by the stevedores at the discharge port,

such damage shall be settled directly between the stevedores and master of the vessel.

12.3 In case of any damage to vessel caused by stevedores at the discharge port, such damage and consequences thereof shall be for Buyer's account and responsibility.

12.4 Time required to complete repairs of damage, if any, for which the vessel is not responsible, shall count as Laytime used.

### **13. Insurance**

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Insurance is covered by Buyer from the time the Cargo is on board the vessel. Seller shall, upon completion of loading, advise Buyer within (two) 2 Working Days by fax of the Contract Number, name of vessel, voyage number, name of Cargo, approximate invoice value, gross weight and B/L number and date.

### **14. Loss of Cargo**

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In the event of any partial or total loss of the Cargo after the Cargo has been on board the vessel, Buyer shall pay to Seller the amount equal to the value of the Cargo calculated on the basis of Certificate of Analysis and Draft Survey Certificate of Weight and price adjustment as set forth in clause 3.

### **15. Title and Risk**

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#### 15.1 Risk

All risk of loss, damage or destruction to the Cargo shall pass to Buyer when Cargo is on board the vessel at the load port.

#### 15.2 Title

Title shall pass from Seller to Buyer upon the provisional payment being effected in accordance with this Contract.

## **16. Force Majeure**

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- 16.1 Either Party is not liable to the other Party for any delay or failure to perform any obligation under this Contract caused by Act of God, war, blockade, revolution, riot, insurrection, civil commotion, strike, lockout, fire, flood, storm, tempest or other, inclement weather conditions, unforeseen, blockade, of the access channel at load port and/or discharge port, maintenance practice of the port facilities by the duly constituted port authority, government restriction, regulation or order or any other cause beyond the reasonable control of Seller or Buyer (the “Affected Party”), including any similar or other force majeure event affecting the nominated performing vessel or producer of this Cargo (Force Majeure).
- 16.2 The Affected Party must reasonably practicable give a written notice as early as to the other Party of the occurrence and details of any event or circumstance giving rise to the Force Majeure, the estimated delay in performance resulting from the Force Majeure Event and the steps that it intends to take to overcome or mitigate such event or circumstance.
- 16.3 The Affected Party will use all reasonable diligence to mitigate the negative effect of the force majeure and to remedy the situation and resume the performance of its obligations under this Contract as soon as possible and the other Party will co-operate and provide such assistance as the Affected Party may reasonably request provided that this will not require the settlement of strikes labor disputes or native title claims on terms contrary to the reasonable wishes of the Affected Party.
- 16.4 For the avoidance of doubt, fluctuation of the market price for Cargo is not a Force Majeure Event.
- 16.5 If the force majeure condition lasts over three (3) months, each of Buyer and Seller

shall have the right to terminate this Contract.

## **17. Governing law and Arbitration**

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17.1 This Contract shall be governed and interpreted by laws of \_\_\_\_\_.

- A. China.
- B. Hong Kong.
- C. Singapore.
- D. Other: \_\_\_\_\_.

17.2 Any dispute or claim arising out of or under this Contract or the execution thereof shall be settled amicably by friendly negotiations between the Parties. If no settlement can be reached, the case in dispute shall then be submitted for arbitration. The Parties choose \_\_\_\_\_ as the arbitra l institution.

- A. China International Economic and Trade Arbitration Commission in Beijing.
- B. \_\_\_\_\_ in Hong Kong.
- C. \_\_\_\_\_ in Singapore.

17.3 Any arbitral award is final and binding on the Parties and may be enforced by any court having jurisdiction.

## **18. Amendment of the Contract**

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18.1 Any amendment or modification to this Contract shall be agreed by the Parties and shall only become binding in written form and signed by the Parties.

18.2 If any clause of this Contract is determined to be void, illegal or unenforceable, the remaining clauses shall remain in full force and effect.

## **19. Confidentiality**

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It is agreed by the Parties that each Party shall not disclose any information related to this Contract to the third Parties except China Beijing International Mining Exchange



Co., Ltd., unless such disclosure is required by laws or unless prior written approval has been obtained from the other Party.

## **20. Notices and Communications**

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20.1 Any notices and communications referred to in this Contract shall be in writing and will be sent to the address of the Parties specified in the contact information by registered airmail and/or email, fax or other communicate means agreed by the Parties.

20.2 Notice in Writing shall be deemed given:

20.2.1 If sent by registered airmail, the notice is deemed as properly served when the person to be served signed on the receipt.

20.2.2 If sent by email, the notice is deemed as properly served when the email reaches the server of the Party to be served.

20.2.3 If sent by fax, the notice is deemed as properly served on the next Working Day following the date on which the fax is sent.

Appendix 1: Electronic Confirmation Letter

Executed as a contract by the duly authorized representatives of the Parties:

Seller: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Buyer: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_