MINISTRY OF POWER AND RENEWABLE ENERGY

GOVERNMENT OF SRI LANKA (GOSL)

LANKA COAL COMPANY (PVT) LTD

BIDDING DOCUMENT FOR SUPPLY OF COAL

FOR

LAKVIJAYA POWER PLANT (900MW)

BITUMINOUS COAL: 300,000 ± 10% METRIC TONS

IFB NO: LCC/16/T/6

October 2016
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2. SECTION II - INSTRUCTIONS TO BIDDERS (ITB)

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INVITATION FOR BIDS (IFB)

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INVITATION FOR BIDS (IFB)

SECTION I

DATE OF ISSUE : 31st October 2016

IFB NUMBER : LCC/16/T/6

1. INVITATION

Chairman, Special Standing Cabinet Appointed Procurement Committee (SSCAPC) of Ministry of Power and Renewable Energy, invites you to submit a Bid for the supply of 300,000 MT + 10% of Bituminous Coal for the Lakvijaya Coal Power Plant (900 MW), Port of Puttalam, Sri Lanka.

This invitation is extended on behalf of Lanka Coal Company (Private) Limited by the Chairman of SSCAPC.

2. BID DOCUMENTS

In addition to this Invitation for Bids, please find enclosed the Bid Documents: Section II, Instruction to Bidders (ITB) and its Forms and Annexes and Section III, Draft Coal Supply Agreement and its Schedules.

3. SUBMISSION OF BIDS

Bids shall be submitted by hand or sent by courier to the following address.

Lanka Coal Company (Private) Limited
51/3, Dutugemunu Street, Suranimala Place, Kohuwala,
Dehiwala, Sri Lanka.

Bids will be received up to 10.00 AM on 24th November 2016

4. LATE BIDS

Bids received after the deadline will be returned unopened to the bidders.

5. BID SECURITY

Each Bid shall be accompanied by a Bid Security to the value of USD 300,000.00

The Bid Security in the form of a bank guarantee shall be issued by:

• a bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka,
a bank in another country, but the security confirmed by a bank operating in Sri Lanka approved by the Central Bank of Sri Lanka.

6. **BID Opening**

Bids will be opened in the presence of the bidders or their representatives at the time and date and at the address named in the Bid Data Sheet (BDS) as detailed in Section II – “Instruction to Bidders” (ITB).

7. **BIDDING PROCEDURE**

A single stage, single envelope, bidding Procedure will be adopted. Bidding Procedure applicable to this invitation is given in Section II – "Instructions to Bidders".
SECTION II

INSTRUCTIONS TO BIDDERS

(ITB)
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SECTION II

INSTRUCTIONS TO BIDDERS (ITB)

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**BID DATA SHEET (BDS)**

This Bid Data Sheet provides information in a tabular form to assist Bidders with Bid preparation and shall be attached to the Bid.

**Name of Contract:** Supply of Bituminous Coal for Lakvijaya Coal Power Plant, Sri Lanka

**Invitation for Bids (IFB) No:** LCC/16/T/6

**Quantity of Coal Purchased under this Contract:** 300,000 MT + 10% Bituminous Coal at buyer's option

**Period of supply:** December 2016 to February 2017 (Subject to weather condition at the port of Puttalam)

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<td>Period of Validity of Bids</td>
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<td>5</td>
<td>Period of validity of Bid Security</td>
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<tr>
<td>6</td>
<td>The Bid and any modifications shall be submitted in 1 Original and 1 Copy</td>
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<td>7</td>
<td>Deadline for Bid Submission</td>
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<td>8</td>
<td>Place at which Bids will be received.</td>
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</tbody>
</table>
| 9       | Time & Date for Bid Opening and the Location of Bid Opening | Immediately after closing of the bids.  
24th November 2016, at the address mentioned in Item 1 above. |
| 10      | Performance Security | 10 % of the (Fixed Price X 300,000 MT Bit Coal In United States Dollars |

1. INTRODUCTION

1.1 SOURCE OF FUNDS

LCC will utilize funds allocated by CEB (Ceylon Electricity Board) which is a body incorporated by Act No. 17 of 1969 by Parliament of Sri Lanka, for eligible payments under the coal supply contract. Accordingly all Bidders who submit bids through agent or direct submission should register under Public Contract Act No.3 of 1987, Sri Lanka at the time of bidding.

1.2 PAYMENT TERMS

Payment will be made by an irrevocable, unconfirmed documentary Letter of Credit opened only with the Peoples Bank of Sri Lanka more fully described in Clause 12.1 of Draft Coal Supply Agreement.

1.3 QUALITY

LCC’s Standard Values and Reject Values for Coal to be supplied to the Plant can be found in Annex A attached to these instructions. LCC’s Standard Values are given for the purpose of all Bidders to quote for coal of one specific quality for the comparison of prices. However Bidders are not restricted to supply only the coal of quality complying with LCC’s Standard Values only but required to supply coal within the range of LCC specifications i.e. that none of the parameters which have Reject Values stipulated in the Annex A part C is within the specified Reject Values.
1.4 SHIPPING SCHEDULE

Shipping contract has been already awarded to Ceylon Shipping Corporation (CSCL)

LCC Requirement of Lay can Schedule for November/ December 2016 / January 2017 from different load ports are given below.

Therefore it is the responsibility of the supplier to do the loading of coal accordingly. Supplier is liable for the demurrages at the port of loading as described in Schedule 3 of Draft Coal Supply Agreement. Bidder shall not be responsible for any delays in sailing time.

Supplier shall liaise with CSCL / LCC in respect of confirmation of laycans and nomination of ships. Supplier shall responsible for any changes made by the supplier of the load port laycans after the confirmation.

Details on Shipping Terms can be found in Schedule 3 of the Draft Coal Supply Agreement.

**Estimated Laycan Schedule for 05 Spot Shipments for Delivery between December 2016 to February 2017**

Assumptions 1: Each vessel arriving at the load port on the Middle Day of the Laycan
Assumptions 2: Parcel size 60,000 +/- 10%
Assumptions 3: Subject to whether permitted

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<tr>
<th>Ship No.</th>
<th>South Kalimantan Laycan</th>
<th>Laycan Spread</th>
<th>Quantity MT</th>
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1.5 COST OF BIDDING

The Bidder shall bear all costs associated with the preparation and submission of its Bid and LCC will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the Bidding process. By participating in the bidding, each Bidder agrees and acknowledges that in no event shall it be entitled to make a claim of any kind against LCC or LCC’s officers, employees, or consultants arising out of, relating to, or in any way connected with the Bidder’s bid or LCC’s consideration thereof.

2.0 PREPARATION OF BIDS

2.1 LANGUAGE OF BID

The language of this bid is English. Any document submitted in another language will be considered for evaluation only when submitted accompanying with English translation. If any document in a language other than English, accompanying with English Translation, such translation shall be attested by a Sworn Translator to be true and accurate translation. Any discrepancy in the Original and the Translation may result in disqualification of the Bidder.

2.2 DOCUMENTS TO BE SUBMITTED BY BIDDERS

When submitting a Bid the Bidder shall submit the following documents in the given formats.

   (i) Letter of Bid (Annex A1 attached) duly completed and signed by the Bidder;

   (ii) Bid Security (Annex A2, specimen form attached)

   (iii) Power of Attorney (Annex A3 specimen form attached)

   (iv) Bidders confirmation for the acceptance the Draft Coal Supply Agreement

   (v) Bid Data Sheet (BDS)

   (vi) PCA 3 Registration Form

Please note that PCA-3 Registration form is a prescribed form under the Public Contracts Act No.3 of 1987 of Sri Lanka. This act is available for your reference at,


   (vii) Price Proposal (Annex A5 attached) duly completed by the Bidder:
2.3 BID PRICE

The Fixed Price quoted in Annex A5 will be taken for evaluation purposes.

The bidders are required to quote the FOBT price in USD per MT for the supply of coal strictly complying with LCC Reference Values specified in Annex A part B and the bidder’s shall not quote for coal different to the LCC Reference Value quality coal. Bids not complying with the above requirement shall be rejected.

However, as elaborated elsewhere in this document, quoting the price for the coal of the quality strictly complying with LCC Reference values does not restrict the selected bidder as the coal supply contactor supplying a quality different to the LCC Reference Values, provided none of the parameters which have Reject Values stipulated in the Annex A part C is within the specified Reject Values. In such an event the quality differs from the LCC Reference Values, the price variance specified in Schedule 2 Part B of Draft Coal Supply Agreement is applicable.

2.4 BID SECURITY

All Bids must be accompanied by a Bid Security in the amount and currency and bid security validity period will be as specified in the Bid Data Sheet. The Bid Security, in the form provided in Annex A2, shall be a Bank Guarantee issued by

- A Bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka, or
- A Bank in another country, but the security "confirmed" by a Bank operating in Sri Lanka approved by the Central Bank of Sri Lanka.

Any Bid not secured as aforesaid shall be rejected by LCC as non-responsive.

Unsuccessful Bidder’s Bid Security will be discharged/returned as promptly as possible following provision of performance security by the successful Bidder, but not later than 28 days after the expiration of the period of Bid Validity prescribed by LCC.

The successful Bidder’s Bid Security will be discharged upon the Bidder’s signing the Coal Supply Agreement, pursuant to Clause 4.2, and fulfilling the conditions precedent of the Coal Supply Agreement.

The Bid Security may be forfeited:

(a) If a Bidder withdraws it’s Bid during the period of Bid Validity

OR

(b) In case of a successful Bidder, if the Bidder fails:

(i) To sign the Contract in accordance with Clause 4.2; or
(ii) To furnish Performance Security in accordance with Clause 4.3.
2.5  FORMAT AND SIGNING OF BID

The Bidder shall prepare one original and one copy of the Bid, clearly marking each one as "Original" and "Copy". In the event of any discrepancy between the Original and the Copy, the Original shall govern.

The Original and the copy of the Bid, each consisting of the documents listed in Clause 2.2 above, shall be type written or otherwise reproduced in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the Contract. The letter authorization shall be indicated by written duly executed power-of-attorney accompanying the Bid and submitted as Annex A3 to the Bid. **All pages of the Bid shall be initialled by the person or persons signing the Bid.**

The Bid shall not contain any interlineations, erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such corrections shall be initialled by the person or persons signing the Bid.

3.  BID OPENING AND EVALUATION

3.1  Evaluation of bids

The bids will be evaluated based on the **COMMERCIAL AND PRICE PROPOSALS.**

It is decided to purchase 300,000 MT ±10% of Bituminous Coal from the ports indicated in the shipping schedule in clause 1.4. The bidder offering substantive responsive bid for the Bituminous coal for LCC will be selected.

3.2  CONTACTS WITH LCC

No Bidder shall contact LCC or any other person or organization involved on any matter relating to its Bid, from the time of the opening of Bids to the time the Contract is awarded unless they are required to do so by the LCC/SSCAPC.

Any effort by a Bidder to influence LCC in LCC's Bid evaluation, Bid comparison or Contract Award decisions may result in rejection of the Bid.

4.  AWARD OF CONTRACT

4.1.  Acceptability

After negotiations by the SSCAPC on behalf of the LCC, while taking in to account the proposed Contract Price and Delivery Schedule, SSCAPC will determine to its satisfaction whether the Bidder selected by the evaluation process as having submitted the most responsive Bid at the favourable FOBT Bid Price.

SSCAPC reserves the right to accept or reject any Bid, and to cancel the Bidding process and reject all Bids at any time prior to the issuance of the letters of **award**, without thereby
incurring any liability to the Bidders or any obligation to inform the Bidders of the grounds for SSCAPC’s action.

SSCAPC has the authority to negotiate with the bidders to achieve the most economical and reasonable price

4.2 NOTIFICATION OF ACCEPTANCE AND SIGNING OF THE CONTRACT

After determining the successful Bidder in accordance with the Clause 4.1 and prior to the expiration of the period of Bid validity, SSCAPC will notify the successful Bidder in writing by registered letter or electronically by email or telefax that his Bid has been accepted.

LCC will also send the successful Bidder, the proposed Coal Supply Agreement provided in the Bid Documents, incorporating all agreements between the Parties.

Upon receipt of the Letter of Acceptance/award and the proposed Coal Supply Agreement, the successful Bidder shall confirm the acceptance of the award and enter into an agreement with LCC. The date and venue for signing the Agreement shall be agreed between the Parties.

4.3 PERFORMANCE SECURITY

Within 07 days of receipt of the Letter of Acceptance, the successful Bidder shall furnish the Performance Security for amount given in the Bid Data Sheet in a format acceptable to LCC. A Specimen Form can be found as Schedule 4 of the Draft Coal Supply Agreement.

The Performance Security in the form of a bank security shall be issued by:

- A bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka, or
- A bank in another country, but the security counter guaranteed by a bank operating in Sri Lanka approved by the Central Bank of Sri Lanka.
- The validity of the performance bond should be 180 days from the date of successful final delivery completion date.
- Performance bond shall be forfeited due to breaching of the contract agreement by the successful bidder.

Failure of the successful Bidder to comply with the requirements of Clause 4.2 or Clause 4.3 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.
### FORMS

**Form 1 – STATEMENT OF BIDDER**

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<tr>
<td>- Former Name of Firm (if any):</td>
<td>[]</td>
</tr>
<tr>
<td>- Year established under former name (if applicable):</td>
<td>[]</td>
</tr>
<tr>
<td>2. Address of Head Office</td>
<td>[]</td>
</tr>
<tr>
<td>- Street :</td>
<td>[]</td>
</tr>
<tr>
<td>- P.O. Box (if any):</td>
<td>[]</td>
</tr>
<tr>
<td>- Postal Code, City, Country:</td>
<td>[]</td>
</tr>
<tr>
<td>- Telephone No.:</td>
<td>[]</td>
</tr>
<tr>
<td>- Telefax No.:</td>
<td>[]</td>
</tr>
<tr>
<td>- Web address:</td>
<td>[]</td>
</tr>
<tr>
<td>3. Contact Person</td>
<td>[]</td>
</tr>
<tr>
<td>- Name:</td>
<td>[]</td>
</tr>
<tr>
<td>- Position / Title:</td>
<td>[]</td>
</tr>
<tr>
<td>- Telephone No.:</td>
<td>[]</td>
</tr>
<tr>
<td>- Telefax No.:</td>
<td>[]</td>
</tr>
<tr>
<td>- E-Mail address</td>
<td>[]</td>
</tr>
</tbody>
</table>

Bidder’s Signature..............................................................
ANNEXURES to INSTRUCTIONS TO BIDDERS
ANNEX A : INFORMATION TO BIDDERs

The information in Annex A hereunder is given with good faith to assist preparation of the Bid and the Bidder shall be responsible for verifying and interpreting all such information. LCC shall have no responsibility for the accuracy, sufficiency or completeness of them.

PART A

The Lakvijaya Power Plant will be operated as a base load unit, fuelled by low sulphur coal having standard properties (the LCC Reference Values) according to Part B of Annex A. The Plant shall burn coal beyond the reject values (the LCC Reject Values) set forth in Part C of Annex A.

PART B

<table>
<thead>
<tr>
<th>LCC REFERENCE VALUES FOR COAL</th>
<th>BASIS</th>
<th>Measure/Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROXIMATE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Moisture</td>
<td>12.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>Volatile Matter</td>
<td>27.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>Fixed Carbon</td>
<td>49.5</td>
<td>% By weight</td>
</tr>
<tr>
<td>Sulphur</td>
<td>0.5</td>
<td>% By weight</td>
</tr>
<tr>
<td>Ash</td>
<td>11.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>GCV</td>
<td>6,300</td>
<td>(kcal/kg)</td>
</tr>
<tr>
<td>HGI</td>
<td>50</td>
<td>°H</td>
</tr>
<tr>
<td><strong>ULTIMATE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moisture</td>
<td>12.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>Carbon</td>
<td>65.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>Hydrogen</td>
<td>3.8</td>
<td>% By weight</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>1.5</td>
<td>% By weight</td>
</tr>
<tr>
<td>Oxygen</td>
<td>6.2</td>
<td>% By weight</td>
</tr>
<tr>
<td>Sulphur</td>
<td>0.5</td>
<td>% By weight</td>
</tr>
<tr>
<td>Ash</td>
<td>11.0</td>
<td>% By weight</td>
</tr>
<tr>
<td><strong>ASH (%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SiO2</td>
<td>61.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>Al2O3</td>
<td>25.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>Fe2O3</td>
<td>4.0</td>
<td>% By weight</td>
</tr>
<tr>
<td>CaO</td>
<td>3.5</td>
<td>% By weight</td>
</tr>
<tr>
<td>MgO</td>
<td>0.7</td>
<td>% By weight</td>
</tr>
<tr>
<td>Na2O</td>
<td>0.3</td>
<td>% By weight</td>
</tr>
<tr>
<td>K2O</td>
<td>0.6</td>
<td>% By weight</td>
</tr>
<tr>
<td>TiO2</td>
<td>1.3</td>
<td>% By weight</td>
</tr>
<tr>
<td>P2O5</td>
<td>0.9</td>
<td>% By weight</td>
</tr>
<tr>
<td>SO3</td>
<td>2.7</td>
<td>% By weight</td>
</tr>
<tr>
<td><strong>ASH FUSION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDT</td>
<td>1,250</td>
<td>°C</td>
</tr>
<tr>
<td>Fluid</td>
<td>1,325</td>
<td>°C</td>
</tr>
<tr>
<td><strong>GRAIN SIZE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum 50 mm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum 2 mm</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ANNEX A : INFORMATION TO BIDDERS

PART C

LCC REJECT VALUES FOR COAL

(Proximate analysis - as received basis)

<table>
<thead>
<tr>
<th></th>
<th>LCC REJECT VALUES FOR BITUMINOUS COAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gross Calorific Value</td>
</tr>
<tr>
<td></td>
<td>Less than 5,900 kcal/kg</td>
</tr>
<tr>
<td>2</td>
<td>Total Moisture</td>
</tr>
<tr>
<td></td>
<td>More than 16% by weight</td>
</tr>
<tr>
<td>3</td>
<td>Ash Content</td>
</tr>
<tr>
<td></td>
<td>More than 16% by weight</td>
</tr>
<tr>
<td>4</td>
<td>Volatile Matter</td>
</tr>
<tr>
<td></td>
<td>Less than 22%, More than 39.9%</td>
</tr>
<tr>
<td>5</td>
<td>Sulphur Content</td>
</tr>
<tr>
<td></td>
<td>More than 1.0% by weight</td>
</tr>
<tr>
<td>6</td>
<td>HGI</td>
</tr>
<tr>
<td></td>
<td>Less than 40, More than 59</td>
</tr>
<tr>
<td>7</td>
<td>Size Consist:</td>
</tr>
<tr>
<td></td>
<td>Grain Size more than 50 mm</td>
</tr>
<tr>
<td></td>
<td>More than 5% by weight</td>
</tr>
<tr>
<td></td>
<td>Grain Size less than 2mm</td>
</tr>
<tr>
<td></td>
<td>More than 30% by weight</td>
</tr>
<tr>
<td>8</td>
<td>Ash Fusion Temperature R</td>
</tr>
<tr>
<td></td>
<td>IDT (Deformation)</td>
</tr>
<tr>
<td></td>
<td>Less than 1,150 ° C, More than 1300 ° C</td>
</tr>
<tr>
<td></td>
<td>F.T (Fluid)</td>
</tr>
<tr>
<td></td>
<td>Less than 1,250 ° C, More than1500 ° C</td>
</tr>
</tbody>
</table>

Note: R, Equals Reducing Atmosphere

Note: Any parameter “within the Reject Value” means that it is less than the stipulated minimum value (e.g. Gross Calorific Value is less than 5900 kcal/kg) or more than the stipulated maximum value (e.g. Total Moisture is more than 16% by weight)
Annex A1 : LETTER OF BID

REFERENCE : CLAUSE 2.2 (i), INSTRUCTIONS TO BIDDERS

IFB No. LCC/16/T/6

TO:________________________ (LCC)_____________________________This document presents response of _______________________ (Bidder) ____________________________

to the INVITATION FOR BIDS NO. LCC/16/T/6 of Lanka Coal Company (Private) Limited (“LCC”).

Along with our PRICE PROPOSAL submitted herewith in a sealed envelope, this document represents our firm and binding offer to supply coal to LCC at the price indicated in the PRICE PROPOSAL on the terms and conditions specified herein and in the INSTRUCTIONS TO BIDDERS and the DRAFT COAL SUPPLY AGREEMENT. If selected for award, we shall be bound to supply coal to LCC (a) of the quality that none of the parameters listed in Annex A part C is within the specified Reject Values pursuant to an executed Coal Supply Agreement and (b) the PRICE PROPOSAL, in each case, as accepted by LCC.

We agree to abide by this Letter of Bid until ______________ (date and time) and it shall remain binding upon us and may be accepted at any time before that date. We acknowledge that all documents submitted with our Bid shall form part of this Letter of Bid.

Unless and until the Coal Supply Agreement is executed, this Letter of Bid, together with LCC’s written acceptance thereof, shall constitute a binding contract between us.

We understand that LCC is not bound to accept the lowest or any Bid LCC may receive.

BIDDER:

Company Name: ________________________________

By : ________________________________ (Authorized Signature)

(Please affix company seal here)

Name : ________________________________

Title : ________________________________

Date : ________________________________
Annex A2 : SPECIMEN FORM OF BID SECURITY

REFERENCE : CLAUSE 2.2 (ii) INSTRUCTIONS TO BIDDERS

IFB No. LCC/16/T/6

Name and address of Beneficiary________________________________________ (LCC)
________________________________________ (whom the Bid documents define as the Buyer).

We have been informed that _________________________________________ (hereinafter called the “Bidder”) is submitting a Bid for a contract for supply of coal in response to your invitation under Invitation For Bids No.________ ________, and that the conditions of your invitation which are set out in a document entitled Instructions to Bidders require its Bid to be supported by a Bid security.

At the request of the Bidder, we (name of bank) __________________________ hereby irrevocably undertake to pay you, the Beneficiary/Buyer, any sum or sums not exceeding in total the amount of _________________________________ (say:________________________________________________________) upon receipt by us of your demand in writing and your written statement (in the demand) stating that:

(a) the Bidder has, without your agreement, withdrawn its Bid after the latest time specified for its submission and before the expiry of its period of validity, or

(b) the Bidder has refused to accept the correction of errors in its Bid in accordance with such conditions of invitation, or

(c) Having been notified of acceptance of its Bid during the validity period of bid validity;

(i) the Bidder fails or refuses to execute the coal supply agreement or

(ii) the Bidder fails or refuses to furnish the Performance Security, in accordance with Instructions to Bidders

Any demand for payment must contain your signature(s) which must be authenticated by your bankers or by a notary public. The authenticated demand and statement must be received by us at this office on or before ………………………when this guarantee shall expire and be returned to us.

This guarantee is personal to you and is not assignable. This bid security will be governed by the laws of Sri Lanka.

Date ______________ Signature(s) ____________________________________________
Annex A3 : Form of POWER OF ATTORNEY

REFERENCE : CLAUSE 2.2 (iii), INSTRUCTIONS TO BIDDERS

IFB No. LCC/16/T/6

Note:

The Bidder shall attach a Power of Attorney, duly authorised, indicating that the person(s) signing the Bid have the authority to sign the Bid and that the Bid is binding upon the Bidder during the full period of its validity.
ANNEX A5  : PRICE PROPOSAL

REFERENCE  : CLAUSE 2.2 (vii), INSTRUCTIONS TO BIDDERS

INVITATION FOR BIDS NO: LCC/16/T/6

Bidder: -----------------------------------------------

This document presents the Bidder’s PRICE PROPOSAL in response to and based upon LCC’s INVITATION FOR BIDS NO. LCC/16/T/6 herewith sealed in a single envelope it constitutes a firm and binding offer to supply LCC with coal at the price indicated herein on the terms and conditions specified in the Coal Supply Agreement.

PRICE OFFER

<table>
<thead>
<tr>
<th>BIDDING QUANTITY</th>
<th>PORTOF LOADING</th>
<th>FIXED PRICE FOBT AT LOAD PORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>300,000 ± 10% MT Bituminous Coal</td>
<td>US D ........... per MT (in words, USD..........................)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Bidders should include the FOBT (Port of Loading) price of coal, the quality complying with the LCC’s Standard Value as per Annex A Part B.

This offer is irrevocable until .................. 2016, and LCC may accept this offer at any time prior to, the date and time indicated in the LETTER OF BID.

BIDDER:

Company Name: ________________________________
By: __________________________________________
(Authorized Signature)
Name: ________________________________________
Title: _________________________________________
Date: _________________________________________

Please affix company seal here.
Witnessed by: ________________________________
Name: ________________________________________
Title: _________________________________________

Witnessed by: ________________________________
Name: ________________________________________
Title: _________________________________________
SECTION III

DRAFT Coal Supply Agreement

(GENERAL TERMS)
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</thead>
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<td>24</td>
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<td>24</td>
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<td>24</td>
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<td>25</td>
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<td>25</td>
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<tr>
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<td>25</td>
</tr>
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<td>25</td>
</tr>
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<td>25</td>
</tr>
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<td>25</td>
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<td>26</td>
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<td>26</td>
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</tr>
<tr>
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<td>26</td>
</tr>
<tr>
<td>10.3 Discrepancies</td>
<td>27</td>
</tr>
<tr>
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<td>27</td>
</tr>
<tr>
<td>10.5 Provision of Analyses</td>
<td>28</td>
</tr>
</tbody>
</table>
AGREEMENT

This AGREEMENT ("the Agreement") is made and entered into on this day of ........................., 2016 between LANKA COAL COMPANY (PRIVATE) LIMITED, a company organized and existing by virtue of the law of the Democratic Socialist Republic of Sri Lanka under the Companies Act, No 7 of 2007 and bearing registration Number PV 62636 and having its registered office at No 51/3, Dutugemunu Street, Dehiwala, Sri Lanka. (hereinafter called "the Buyer")

and

............................................................................................................................................................................................................................................................................................................................................................................., a company organized and existing under and by virtue of the law of (country) the Companies Act, ........................................... bearing company No. ......................... and having its registered/principal office at (.................................) (hereinafter called "the Seller"),
together the Parties

WITNESSETH

In consideration of the mutual covenants and agreements made by and between them, the Parties hereby agree as follows:

1. DEFINITIONS

The terms and expressions used in the Agreement shall have the following meanings respectively assigned to them unless the context shall otherwise require:

1.1 Anticipated Base Load – Not Applicable

1.2 Approved Measurement Standards means the ASTM standards for the sampling and analysis of Coal more particularly set forth in Schedule 1.

1.3 ASTM means the American Society for Testing and Materials.

1.4 Base Nominated Annual Quantity or Base NAQ – Not Applicable

1.5 Fixed Price means the Agreed Price per tonne of Coal in accordance with Clause 11.

1.6 Business Day means any day excluding Saturday, Sunday or any day which shall be in Sri Lanka, a Public holiday or a day on which banking institutions are permitted to be closed.

1.7 Buyer means Lanka Coal Company (Private) Limited.

1.8 Buyer Event of Default – Not Applicable

1.9 Calendar Year or Year – Not Applicable

1.10 Coal means bituminous coal to be supplied to Buyer by Seller having quality characteristics as agreed in the Agreement.
1.11 **Coal Supply Agreement** or **Agreement** means this agreement for the supply of coal entered into by the Buyer with the Seller.

1.12 **Commercial Operation Date** – Not Applicable

1.13 **Commission Date** – Not Applicable

1.14 **Confidential Information** Not Applicable

1.15 **Contract Year** Not Applicable.

1.16 **CIF** Not Applicable

1.17 **Delivery** means on FOB basis loading and trimming of the relevant Coal on board the nominated carrying vessel. **Deliver** and **Delivered** shall be interpreted accordingly.

1.18 **Delivery Completion Date** means the date on which the loading and trimming of the relevant coal is completed. **Delivery Point** means on board the nominated carrying vessel at the port of loading.

1.19 **Event of Force Majeure** has the meaning ascribed to it in Clause 13.

1.20 **FOBT** means delivery Free on Board in accordance with INCOTERMS 2000 or the latest edition available and including trimming work.

1.21 **Foreign Currency or FC** Not Applicable.

1.22 **Independent Marine Surveyor** means such reputable independent marine survey organization as shall be acceptable to both Buyer and Seller.

1.23 **Independent Surveyor** means such reputable independent commercial testing organization as shall be acceptable to both Buyer and Seller.

1.24 **ISO** means International Organization for Standardization.

1.25 **Jetty of the Plant** means the Barges birthing and unloading facility of the buyer at the plant.

1.26 **kcal** means kilocalorie(s) as defined in the "International System of Units".

1.27 **kg** means kilogram(s) as defined in the "International System of Units".

1.28 **Letter of Credit (LC)** means of an unconfirmed, irrevocable deferred payment letter of credit.

1.29 **LIBOR** Not Applicable.

1.30 **mm** means millimetre(s) as defined in the "International System of Units".

1.31 **Nominated Annual Quantity** or **NAQ** - Not Applicable
1.32 Quantity to be supplied- 300,000+/ - 10% MT Bituminous coal

1.33 Nominated Quarterly Quantity or NQQ Not Applicable

1.34 Offtaker means Ceylon Electricity Board.

1.35 Parties means the Buyer and the Seller.

1.36 Plant means the Lakvijaya Power Plant located in Sri Lanka.

1.37 Port of Loading or Load Port means [………….. port designated by supplier……………]

1.38 Pratique means permission to do business at a port by a ship that has complied with all applicable government regulations for the purposes of health & safety evaluations and customs compliance.

1.39 Price means the price per tonne of Coal to be payable by the Buyer to the Seller in respect of Coal nominated for supply in the Contract pursuant to Clause 11 or otherwise agreed to be supplied, as such price may be determined and adjusted as described in the Agreement.

1.40 Qualifying Alternative Coal Not Applicable.

1.41 Quarter Not Applicable.

1.42 Reduction Event Not Applicable.

1.43 Secured Amount Not Applicable.

1.44 Seller Event of Default has the meaning ascribed to it in Clause 16.

1.45 Seller’s Mine or Coal Mine or Mine means the mine from which the Coal is to be supplied, as specified in Seller’s TECHNICAL AND COMMERCIAL PROPOSAL.

1.46 Term means the period commencing upon the date of the Agreement and ending on the last day of the period of supply of Coal to the Buyer as more particularly described in Clause 3.

1.47 Tonne(s) or MT means metric ton(s) as defined in the "International System of Units".

1.48 Transhipment Point means the coal carrier anchoring/mooring point (approximately N 8 Deg-2’, E 79 Deg - 43’) located 125 Km north of Colombo in the Indian Ocean.

1.49 Vessel means the Ship used in connection with transporting Coal from Load Port to Transhipment Port, Puttalam.

1.50 Working day means a day upon which business is regularly transacted in the country of the Party charged with acting within a specified time. Unless expressly specified otherwise, the term “day” shall be deemed to mean "calendar day".
2. **CONDITIONS PRECEDENT**

The obligations of the Seller to sell and deliver or the Buyer to purchase Coal pursuant to the Agreement shall become effective on the date when the Seller has established the Performance Security in accordance with Clause 22.

3. **TERM OF THE AGREEMENT**

The term of the Agreement shall be for a period commencing on the date of the Agreement and ending .....(180 days) ....... unless terminated earlier.

Extension beyond the end of the Agreement shall be subject to the mutual agreement of both Parties.

4. **QUANTITY**

4.1 **NOMINATED ANNUAL QUANTITY** Not Applicable

4.2 **NOMINATED QUARTERLY QUANTITY** Not Applicable

4.3 **SCHEDULE OF LOADING** – as per shipping schedule in ITB clause 1.4

5. **VARIATION OF TONNAGE** Not Applicable

6. **SHIPPING AND TRANSPORT ARRANGEMENTS AND PLACE OF ORIGIN**

Coal shall be supplied [FOBT] basis, upon the terms more particularly set out in Schedule 3.

A certificate of origin according to paragraph 7 in Schedule 3, shall be issued to confirm the origin of each shipment of coal. This document will be part of the shipping documents described in Schedule 3 sent by courier within 5 working days after departure of each vessel from the load port

7. **WEIGHT**

The weight of each shipment of Coal shall be determined at the Port of Loading and the Transhipment Point

The draft survey for weight determination shall be carried out by an Independent Marine Surveyor acceptable to both the Buyer and the Seller and shall be binding on both parties. The cost of weight determination shall be for the Seller’s account.

The Independent Marine Surveyor shall also inspect all holds of the vessel at the Port of Loading to ensure that they have been thoroughly cleaned and are suitable for carrying that shipment of Coal, and shall issue a hold cleaning inspection certificate also.

The Seller shall promptly provide via electronic transmission to the Buyer certificates of weight determination issued by the Independent Marine Surveyor. The originals shall accompany each invoice prepared and submitted in accordance with Clause 12

The weight determined at the Port of Loading shall be considered as the quantity of coal in each shipment unless the weight determined at the Transhipment Point was found to loading, in which
case average of the weight at the port of loading and of the Transhipment point to be differ by more than 1% than that of port of loading, in which case average of the weight at the port of loading and of the transhipment point to be final.

8. TRANSFER OF TITLE AND RISK OF LOSS

8.1 FOBT BASIS

Risk of loss of Coal shall pass from the Seller to the Buyer as the Coal loaded and trimmed on board the nominated carrying vessel at the Port of Loading and title to the Coal shall pass from the Seller to the Buyer upon receipt of by the Buyer of the shipping documents more particularly described in Schedule 3;

8.2 INCOTERMS

Incoterms 2000 or the latest edition currently available at the date of the relevant shipment shall apply to each shipment of Coal. However for the purpose of interpretation, priority shall be always given to the Agreement.

9. QUALITY

The quality of the Coal supplied by the Seller shall generally meet the LCC’s Reference Values set out in Schedule 1 Part A of the Agreement. Coal not conforming to the LCC’s Reference Values in Schedule 1 Part A but falling within the LCC’s Range limits specified in Schedule 1 Part C i.e. none of the parameters which have Reject Values stipulated in the Schedule 1 part C is within the specified Reject Values, shall be accepted by the Buyer at an adjusted Price in accordance with Schedule 2 Part B.

9.1 UNIFORM QUALITY; NO FOREIGN MATTER

The Seller shall ensure that the Coal is of a uniform quality throughout each shipment delivered to Lakvijaya Power Plant (Ceylon Electricity Board) coal stockpiles and is free from foreign matter which might damage or interfere to a material extent with the operation of Vessels or the Lakvijaya Power Plant’s (Ceylon Electricity Board) Coal Unloading and Handling Facilities.

9.2 HANDLING CHARACTERISTICS

The Seller shall ensure that all Coal has handling characteristics which enable reasonable discharge and transport to bunkers and stocks.

9.3 FAILURE TO MEET SPECIFICATION

If one or more parameter of coal delivered falls within the LCC reject values stated in Part C, Schedule 1, the Buyer may, within 72 hours after receiving the binding certificate of analysis of load port provided pursuant to Clause 10, either:

(a) reject such coal, in which case the Seller shall promptly at the Buyer’s request remove such coal at the Seller’s cost if practicable and to the extent that such coal is rejected, the Seller shall be obliged to offer Substitute Coal which no parameters which have Reject Values stipulated in the Schedule 1 part C is within the specified Reject Values; or.
(b) Be deemed to have accepted such coal (which acceptance shall be without prejudice to the Buyer’s right to reject future deliveries of coal which is of similar quality to that Delivered) subject to such conditions and reductions in the Price for such coal as may be agreed.

In the event of the coal is rejected and the Seller provides substitute coal, the Seller is not exempted from paying any Liquidated Damages on account of any delays and the provisions of Clause 14.1 shall be applicable, considering the delay till such substitute Coal is loaded and trimmed on board the nominated carrying vessel at the Port of Loading.

9.4 ORGANIC CONTAMINANTS

The Buyer reserves the right to randomly request that shipments be analysed by the Independent Surveyor to determine with presence of organic contaminants including but not limited to petroleum coke, pitch, pitch coke, tar sludge or other petroleum by-product-related solids. Seller’s approval to have shipments undergo such testing shall not be unreasonably withheld. Testing shall be performed in accordance with the relevant ASTM standard and results of such testing shall be final, conclusive and binding on the Parties.

If the results of such testing report the presence of such organic contaminants, the cost of testing shall be for the Seller’s account and Buyer reserves all remedies available under law including, but limited to, Termination of the Agreement.

If the results of such testing are negative with regard to the presence of organic contaminants, the cost of testing shall be for the Buyer’s account.

10. DETERMINATION OF QUALITY OF COAL DELIVERED

10.1 AT PORTS

Each shipment of Coal will be sampled using mechanical sampling equipment at the Port of Loading and at the Jetty of the Plant in accordance with the Approved Measurement Standards.

10.2 DETERMINATION OF QUALITY

(a) The analyses of samples will be carried out by the Independent Surveyors acceptable to buyer and seller in accordance with the Approved Measurement Standards. One (1) representative sample of Coal shall be taken by the Seller at the Port of Loading and one (1) representative sample of Coal shall be taken by the Buyer at the Jetty of the Plant, in each case in accordance with the Approved Measurement Standards and under the supervision of Independent Surveyors or by the Independent Surveyors themselves. Each sample shall be divided into two (2) parts, with one (1) such part to be used for the analysis of the sample by the respective Independent Surveyor. The remaining part shall be available as a reference sample and shall be retained by the respective Independent Surveyor in a suitable airtight container, properly labelled and sealed, for not less than ninety (90) days. In the event of the Buyer unable to take samples as specified herein, the analysis of the sample taken at the Port of Loading be deemed conclusive.
However, an authorised representative of the Buyer or another Independent Surveyor appointed by the Buyer, acceptable to the Seller shall be permitted to supervise the sampling at the Port of Loading. In such event, the reference sample taken at the Port of Loading shall be sealed, by the Independent Surveyor responsible for analysis of the sample and the authorised representative of the Buyer or the Independent Surveyor appointed by the Buyer as the care may be, in a suitable air tight container and retained by the Independent Surveyor appointed by the Buyer for period not less than ninety (90) days.

Similarly, an independent surveyor shall appoint jointly by the seller and the buyer jointly for sampling and testing at the Jetty of the Plant. In such event, the reference sample taken at the Jetty of the Plant shall be sealed, by the Independent Surveyor responsible for analysis of the sample in a suitable air tight container and retained by the Independent Surveyor appointed by the buyer and Seller for period not less than ninety (90) days.

(b) The Seller shall provide via electronic transmission to the Buyer certificates of analyses, from the Independent Surveyor, within three (03) working days after completion of the relevant Coal being loaded at the Port of Loading. The certificates of analyses taken at the Port of Loading shall be binding on both parties other than in the case of demonstrable error or fraud, and except as provided in Clause 10.3

10.3 DISCREPANCIES

If a discrepancy shall occur between the results of the two analyses taken at the Port of Loading and the Jetty of the Plant, then the Buyer and Seller may request that Coal from the reference sample taken at the Jetty of the Plant at discharge port be further analysed by an Independent Surveyor nominated by the Seller acceptable to the Buyer.

If the difference between the result of the Primary Analysis Certificate of the sample taken at the Port of Loading and the Referee Analysis port Certificate:

(a) is not within the LCC reference range specified in “Schedule 1 - Part A”, the result of the Referee Analysis Certificate shall become the Binding Result; or

(b) is within the LCC reference range specified in “Schedule 1 - Part A”, the result of the Primary Analysis Certificate shall become the Binding Result.

10.4 COST OF SAMPLING

The cost of sampling and analysis at the Port of Loading will be for the Seller’s account and the cost of such sampling and analysis at the Jetty of the Plant will be shared equally by the buyer and the seller, save that in the event of a further analysis by the Independent Surveyor, the cost shall be borne by the party requesting such analysis. In the event the request for analysis of Reference Sample is made by the Buyer and the Reference Analysis Certificate indicates that the results is not within the tolerances allowed by the Standard and the result of the Referee Analysis Certificate shall become the Binding Result as per Clause 10.3 (a) above, the Seller shall reimburse the cost of analysis of Reference Sample to the Buyer. The cost of Independent Surveyors appointed by the Buyer or Seller for the purpose of sealing and retaining reference samples shall be to the account of the respective party.
10.5 PROVISION OF ANALYSES

The Seller shall provide to the Buyer copies of the results of the analyses of samples taken at the Port of Loading duly signed and stamped by the Customs of the country of Port of Loading. Such provision shall be made electronically; however, originals of the relevant test such shall accompany each Commercial Invoice prepared and submitted in accordance with Clause 12.

10.6 RESPONSIBILITY

If the Buyer does not reject pursuant to Clause 9.3, coal that is of a quality beyond the reject limits set out in Schedule 1 then the Seller shall not be liable for any direct or indirect damages resulting from the use of such coal by the Buyer, its agents, or its contractors.

11. DETERMINATION AND ADJUSTMENT OF PRICE OF COAL

The fixed Price of Coal shall be:

FOBT (Port of Loading), USD__________/tonne; (In Words)

(Against LCC’s Reference Value for Coal)

The Fixed Price shall be adjusted if the quality of the Coal varies resulting in deviations from the LCC reference values with respect to Gross Calorific value, ash content, sulphur content, moisture and volatile matter. Price adjustment for quality variation shall be made as set out in Part B of Schedule 2.

12. INVOICING

Invoices for Coal which has been delivered to the Buyer and has not been rejected by the Buyer pursuant to Clause 9.3 shall be issued after Delivery of each shipment in required number of copies as agreed by the Parties.

Two invoices shall the Coal supplied on the relevant shipment and shall contain the following details:

(i) Name of the Seller
(ii) Contract Year/ Shipment Number
(iii) Identification of the Coal
(iv) Date(s) of delivery
(v) Vessel Name / Number or Voyage Name / Number
(vi) Tonnage for the relevant shipment
(vii) Price per MT
(viii) Amount due (value of coal after quality adjustment)
(ix) The Buyer contract reference number
The Invoice shall be set out as follows:

**Total Invoice value =** (Tonnage) x (Applicable Agreed Price per tonne +/- Price Adjustments)

Each invoice shall be accompanied by all such supporting documentation as the parties shall agree are required to enable the Buyer to establish the accuracy of the amounts claimed in the relevant Commercial Invoice.

### 12.1 PAYMENT

All payments under the Agreement shall be made to the Seller by means of an irrevocable, unconfirmed documentary Letter of Credit open only with the Peoples Bank of Sri Lanka. All bank charges outside Sri Lanka, if any, will be on account of the Seller. 85% of the total value will be paid upon submission of the required documents specified in the LC format Schedule 7. Balance 15% will be released on acceptance of the shipment by the buyer based on the test report of the receiving port.

The Letter of Credit will be issued to the Seller **within** seven (7) days prior to the scheduled date of arrival of the carrying vessel at the Port of Loading.

Required documents to draw the Letter of Credit payment by the Seller, will be described in the Letter of Credit, such as the Commercial Invoice statement of Seller and the Buyer’s payment authorization statement confirming that the coal meets with the required specifications and no parameter, where LCC Reject Values are specified in Schedule 1- Part C: LCC REJECT VALUES FOR COAL, falls within the rejection range (e.g. Gross Calorific Value is less than 5,900 kcal/kg, Total Moisture is more of than 16% etc.).

### 13 FORCE MAJEURE

#### 13.1 DEFINITION

An **Event of Force Majeure** shall mean any circumstances not within the reasonable control, directly or indirectly, of the party affected, but only if and to the extent that (i) such circumstances despite the exercise of reasonable diligence, cannot be or be caused to be prevented, avoided or removed by such party, (ii) such event materially adversely affects the ability of the affected party to perform its obligations under the Agreement, and the affected party has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on the affected party's ability to perform its obligations under the Agreement and to mitigate the consequences thereof, (iii) such event is not the direct or indirect result of the failure of such party to perform any of its obligations under the Agreement and (iv) such party has given the other party prompt notice describing such events, the effect thereof and the actions being taken in order to comply with this Clause provided that Events of Force Majeure shall not include strikes, lockouts or other industrial action by non-manual personnel of the party seeking to invoke that Event of Force Majeure or of such party's agents or contractors.
13.2 Effects of Force Majeure

Except as otherwise provided herein or may further be agreed between the parties, either party shall be excused from performance and shall not be construed to be in default in respect of any obligations hereunder for so long as failure to perform such obligations shall be due to an Event of Force Majeure.

13.3 Certain Delays Not Excused

Notwithstanding that an Event of Force Majeure otherwise exists, this Clause 13 shall not excuse:

(a) Late payment of money;

(b) Late delivery of Coal caused by negligent acts or omissions on the part of Seller, its contractors or any subcontractor to its contractors, except any such late delivery otherwise arising from an Event of Force Majeure shall be excused if it arose from a negligent act or omission of a contractor or a subcontractor which a reasonable and prudent business person would not have anticipated from a qualified contractor or subcontractor;

(c) Late performance by Seller or its contractors or any subcontractor to its contractors;

(d) Delays resulting from reasonably foreseeable unfavourable weather or reasonably foreseeable unsuitable ground or sea conditions unless the affected party has taken reasonably prudent steps to prevent or mitigate the effects of such conditions.

13.4 Notice of Force Majeure; Procedure

As soon as possible following the commencement of any Event of Force Majeure, if either party desires to invoke such Event of Force Majeure as a cause for delay in the performance of any obligation (other than the payment of money) hereunder it shall advise the other party in writing of such date and the nature and expected duration of such Event of Force Majeure. As soon as possible and in any event within twenty-four (24) hours following the termination of such Event of Force Majeure, the party having invoked such Event of Force Majeure as a cause for such delay shall submit to the other party reasonable proof of the nature of such delay and its effect upon the time of performance. The parties;

(a) shall make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any delay occasioned by any Event of Force Majeure including recourse to alternate acceptable sources of coal, services, equipment and materials; and

(b) Shall use their best efforts to ensure resumption of normal performance after the termination of any Event of Force Majeure and shall perform their obligation to the maximum extent practicable agreed between the parties.

14. FAILURE TO DELIVER

14.1 DELAYS AND FAILURE TO DELIVER COAL

If the Seller fails to load and trimmed the cargo on board the nominated carrying vessel at the port of loading by the stipulated date, the Seller shall pay to the Buyer, by way of Liquidated Damages,
amount equal to the 0.5% of the total value of the consignment per day or part of such delay. In the event that the delay exceeds seven (07) days, the Buyer reserves the right to terminate the Agreement as Seller’s breach the provision of Clause 17 shall apply.

14.2 ADDITIONAL COSTS

Subject to Clause 14.1, the Seller shall bear in full any additional costs of supplying coal from another source a specified above. If Buyer has to purchase coal from an alternative source (Qualifying Alternative Coal) as a result of the non-performance of the Seller, the Seller shall bear any additional costs reasonably incurred by the Buyer in connection with the purchase of Qualifying Alternative Coal.

15 WARRANTIES AND COVENANTS

Intentionally Deleted

15.1 Warranties by Seller

The Seller hereby represents and warrants to the Buyer that:

(a) It is a duly incorporated company with limited liability/joint venture and validly existing under the laws of ...........................................(insert country of incorporation of the company);

(b) the documents which contain or establish its constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for it to sign and deliver, and perform the obligations contemplated in, the Agreement and the Agreement constitutes valid and binding obligations of it enforceable in accordance with the terms hereof except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors’ rights generally;

(c) Neither the signing and delivery of the Agreement nor the performance of any of its obligations hereunder does or will contravene or constitute a default under, or cause to be exceeded any limitation on it or the powers of its directors imposed by or contained in:

(i) Any law by which it or any of its assets is bound or affected;

(ii) Any document which contains or establishes its constitution; or

(iii) Any agreement to which it is a party;

(d) It will have good title to all Coal, free from all liens, security interests and adverse claims, when title to that Coal is to pass to the Buyer pursuant to Clause 8;

(e) It has obtained all licences, permits, certificates, full title and other documents necessary to sell and Deliver Coal as required by the Agreement; and

(f) It has all necessary experience and qualifications in order to perform its obligations under the Agreement.
15.2  **Warranties by Buyer**

The Buyer hereby represents and warrants to the Seller that:

(a)  It is a duly incorporated company with limited liability and validly existing under the laws of the Democratic Socialist Republic of Sri Lanka;

(b)  The documents which contain or establish its constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for it to sign and deliver, and perform the obligations contemplated in, the Agreement and the Agreement constitutes valid and binding obligations of it enforceable in accordance with the terms hereof except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally;

(c)  Neither the signing and delivery of the Agreement nor the performance of any of its obligations hereunder does or will contravene or constitute a default under, or cause to be exceeded any limitation on it or the powers of its directors imposed by or contained in:

(i) Any law by which it or any of its assets is bound or affected;

(ii) Any document which contains or establishes its constitution; or

(iii) Any agreement to which it is a party; and,

(d)  As at the Initial Supply Date, it shall have obtained all such licences, permits, certificates and other documents as are necessary as at that date for the construction, commissioning and trial operation of the Plant and all such licences, permits, certificates and other documents shall be valid, binding and subsisting at such date.

15.3.  **WARRANTY AGAINST CONTINGENT FEES AND BENEFITS**

Seller represents and warrants that no person has been employed or retained to solicit or secure the Agreement or one or more shipments of Coal, and that no person will be employed or retained to administer the Agreement or one or more shipments of Coal, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide full time employees employed by Seller for the purpose of securing or administering business and no such commission, percentage, brokerage or contingent fee has been or will be paid, provided that this warranty shall not be deemed to be breached by the payment of a commission, percentage, brokerage or contingent fee by owner/producer to Seller in consideration of Seller's performance of its duties as sales agent if owner/producer, not Seller, owns and/or operates Seller's Mine and Seller is functioning as owner / producer's sales agent. Upon Seller's breach of this warranty, Buyer, in addition to any other remedies available to it, may rescind, cancel, or terminate the Agreement without liability, holding Seller liable for any and all resulting losses, damages and costs, and may deduct from the contract price, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

Seller represents and warrants that no officials or employees of the Government of Sri Lanka, including any subdivision or branch thereof, no employees of Buyer and no consultants (or employees of a consultant) retained by Buyer whose services are in any way related to Buyer's
selection of coal, coal mines or coal producers have been or will be admitted, directly or indirectly, to any share or part of the Agreement or of any one or more shipments of Coal or to any benefit that may arise therefrom. Breach of this warranty will subject Seller to penalties according to the laws of Sri Lanka as well as give Buyer the right to rescind, cancel or terminate the Agreement without liability, holding Seller liable for any and all resulting losses, damages and costs, and to deduct from the contract price, or otherwise recover, the full amount of consideration or benefit to which any party has been admitted in breach of this warranty.

16 EVENTS OF DEFAULT – Not applicable

17 TERMINATION

This Agreement may be terminated by giving seven (07) days’ notice by either party, upon the occurrence of an Event of Default by the other party provided that any such termination may not occur if the circumstances on the basis of which the notice of termination is given is altered, cured or remedied within the termination date specific in such notice.

If the Agreement is terminated due to Seller’s breach, Buyer will forfeit the Performance Security and will cancel all the payments after the termination for products not yet delivered. In addition, the Seller shall also indemnify Buyer for any expenses or losses thus incurred.

If the Agreement is terminated due to Buyer’s breach, Buyer shall, release the Performance Security forthwith and Seller shall not refund any payments after the termination. In addition, the Buyer shall also indemnity Seller for any direct expenses or losses thus incurred.

18 LIMITS OF LIABILITY

18.1 No Consequential Loss

The liability of either party in respect of any claim brought by the other based on a failure of the first party to fulfil its obligations under the Agreement shall be limited to liability for loss directly suffered by the party aggrieved. Such liability shall exclude loss of profit and expectation of profit and all indirect or consequential loss or damage to the party aggrieved.

19 SITE VISITS Not Applicable

20 CONFIDENTIALITY Not Applicable

21 ENVIRONMENTAL CONSIDERATIONS

If any change in law shall occur in the applicable environmental laws or guidelines relating to the design, construction, operation or maintenance of the Plant, the Buyer shall be entitled to review the specifications for Coal set out herein and the volume of Coal to be supplied. If, having regard to the changed environmental laws or guidelines or the revised specification for Coal, the coal to be supplied by the Seller is no longer suitable to be used as fuel for the Plant, or to be used to the same extent, on technical, environmental or economic grounds, the Buyer shall be entitled to reduce the volume of Coal to be supplied. The Seller shall have the opportunity, prior to any such reduction, to offer, on a pricing basis to be mutually agreed between the Buyer and the Seller, suitable coal from
an alternative source to permit it to continue to supply coal in the volumes originally provided for under the Agreement.

22. PERFORMANCE SECURITY

Within seven (07) days of receipt of the Letter of Acceptance/award, the seller shall furnish a Performance Security for an amount of [10% of the Fixed Price X 300,000] to cover the period of execution of this agreement, (Throughout the Term, its obligations under the Agreement) in the form of a Bank Security / Bank Guarantee of a bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka, or a bank in another country, but the Security / Guarantee confirmed by a bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka. The performance security No ……………… dated ... / ... / 2016, Issued by …………… (bank Foreign) ……. And confirming by …………… (Local Bank)…………… will be released after 180 days from the date of successful completion of the final delivery.

23. NO ASSIGNMENT

Except to the extent that a party may agree in writing, the other party shall not assign the Contract or any part of his obligations under the Agreement.

24. MUTUAL COLLABORATION

Seller and Buyer shall recognize that circumstances may arise which have not been foreseen at the signing of the Agreement and agree that they shall use their best efforts to solve any problems due to such unforeseeable circumstances in a spirit of mutual understanding and collaboration.

25. DISPUTES AND ARBITRATION

If a dispute of any kind whatsoever arises between the buyer and the seller, then every effort will be made by the parties to settle such dispute amicably before the commencement of Arbitration.

If amicable settlement has not been reached, then all such disputes arising out of the contract agreement shall be dealt in accordance with the provisions of Arbitration Act No. 11, 1995 of Sri Lanka. The language for the Arbitration shall be English and the place of arbitration shall be Sri Lanka. The following procedure shall be followed:

(a) Any dispute, controversy or claim arising out of or relating to this Contract, or the breach termination or invalidity thereof [“Dispute”] may be submitted by either Party to arbitration for final settlement. Each of the Parties submits to arbitration under this Clause 25 before a panel of three arbitrators under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) as then in force (the “Rules”), as modified by this Clause 25. The proceedings shall be conducted, and the award shall be rendered, in the English language. The seat and place of arbitration shall be Colombo, Sri Lanka unless any other location is agreed to by the Parties.

(b) Each Party shall appoint one arbitrator, and the two arbitrators, so appointed shall appoint a third arbitrator. The third arbitrator shall be the chairman of the arbitral tribunal. If either Party fails to appoint an arbitrator or if the two Party-appointed arbitrators fail to agree upon a third arbitrator, then such arbitrator shall be appointed in terms of the Arbitration
Act No. 11 of 1995 or such other law that governs Arbitration proceedings as in force in Sri Lanka.

(c) Any award rendered by a majority of the arbitral tribunal shall be final and binding and judgment thereon may be entered and may be enforced in any court of competent jurisdiction. Any monetary award shall be made in reasonable time and as the arbitral tribunal may consider appropriate. The arbitral tribunal shall be authorized in its discretion to grant pre-award and or post-award interest as the case may be. Any costs, fees, or taxes incidental to enforcing the award shall, to the maximum extent permitted by law, be charged against the Party resisting such enforcement.

(d) Subject to right of any Party to obtain any appropriate interim relief from any court of competent jurisdiction, an arbitration award under this Clause 25 shall be a condition precedent to the commencement of action, suit, or claim in any court or other judicial forum.

(e) Except, as expressly provided in this Contract, pending the award in any arbitration proceeding hereunder (i) this Contract and the rights and obligations of the Parties shall remain in full force and effect and (ii) each of the Parties shall continue to perform their respective obligations, including payment obligations, under this Contract. The termination of this Contract shall not result in the termination of any arbitration proceeding pending at the time of such termination nor otherwise affect the rights and obligations of the Parties under or with respect to such pending arbitration.”

26. GOVERNING LAW

The Agreement shall be governed by and construed in accordance with the laws of Sri Lanka.

27. NOTICES

Unless mutually agreed or specifically provided otherwise, all notices given or to be given by a Party shall be in writing and sent to the other Party's address specified below or to such other address as the other Party may specify, and shall be deemed to be properly given: (i) if delivered by hand, upon receipt; (ii) if sent by registered mail (air mail, if international), postage prepaid, upon receipt; and (iii) if given by electronic transmission telefax, telegram or telex, on the day (which is a business day at place of addressee) immediately following the date on which the electronic transmission, telefax, telegram or telex is sent; provided that, in the case of notice by telex, it was given with confirmed answerback.

To Buyer:  
Chairman,  
LANKA COAL COMPANY (PRIVATE) LIMITED,  
53/1, Dutugemunu Street, Dehiwala, Sri Lanka  
Tel: +94 112 824681-2  
Fax: +94 112 824689  
Email: mdcoal@slt.net.lk

To Seller:  
(Position)  
(Company Name)  
(Address)  
Tel:  
Fax:  
Email:
28. **NO WAIVER; CUMULATIVE REMEDIES**

   a) The failure of either Party to enforce at any time any of the provisions of the Agreement, or to require at any time performance by the other Party of any of the provisions thereof, shall in no way be construed to be a waiver of such provision, nor in any way to affect the validity of the Agreement, or any part thereof, or the right of either Party thereafter to enforce each and every provision of the Agreement.

   All remedies afforded under the Agreement shall be taken and construed as cumulative and in addition to every other remedy provided for in the Agreement or otherwise available to a Party.

29. **NO PARTNERSHIP OR AGENCY**

   Nothing in the Agreement (or any of the arrangements contemplated hereby) shall be deemed to neither constitute a partnership between the parties nor, save as may be expressly set out herein, constitute either party the agent of the other party for any purpose.

30. **COSTS**

   Each of the parties shall pay its own costs, charges and expense incurred in connection with the preparation and implementation of the Agreement and the transactions contemplated by it.

31. **ENTIRE AGREEMENT**

   This Agreement, its schedules and appendices constitute the entire agreement of the Parties with respect to the subject matter thereof and supersede any prior expression of intent or understanding with respect to the transactions contemplated in the Agreement. The Agreement may be amended or modified only by a writing signed by the duly authorized representatives of the Parties.

32. **SEVERABILITY**

   If any of the provisions of the Agreement shall held to be illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of the Agreement shall not in any way be affected or impaired thereby.
IN WITNESS WHEREOF, the Parties have caused this Coal Supply Agreement to be duly executed by their respective authorized representatives.

Buyer: Lanka Coal Company (Private) Limited

By: ______________________________
Name: ______________________________
Title: ______________________________

Seller: [Company]

By: ______________________________
Name: ______________________________
Title: ______________________________

WITNESSED:

By: ______________________________
Name: ______________________________

WITNESSED:

By: ______________________________
Name: ______________________________
**LCC’S REFERENCE VALUES FOR COAL**

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## APPROVED MEASUREMENT STANDARDS

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<td>Sampling</td>
<td>2013, 2234</td>
</tr>
<tr>
<td>Total Moisture</td>
<td>3302</td>
</tr>
<tr>
<td>Proximate Analyses</td>
<td>3172</td>
</tr>
<tr>
<td>Moisture in the Analysis Sample</td>
<td>3173</td>
</tr>
<tr>
<td>Ash</td>
<td>3174</td>
</tr>
<tr>
<td>Volatile Matter</td>
<td>3175</td>
</tr>
<tr>
<td>Gross Calorific Value</td>
<td>2015, 3286</td>
</tr>
<tr>
<td>Total Sulphur</td>
<td>3177, 4239</td>
</tr>
<tr>
<td>Hard grove Grind ability Index</td>
<td>409</td>
</tr>
<tr>
<td>Ash Fusion Characteristics</td>
<td>1857</td>
</tr>
<tr>
<td>Size Consist</td>
<td>4749</td>
</tr>
<tr>
<td><strong>Ultimate Analysis:</strong></td>
<td></td>
</tr>
<tr>
<td>- carbon/hydrogen</td>
<td>3178</td>
</tr>
<tr>
<td>- nitrogen</td>
<td>3179</td>
</tr>
</tbody>
</table>

*Note: Or latest revised/equivalent test adopted by ASTM
### SCHEDULE 1 - PART C

**LCC REJECT VALUES FOR COAL**

*(as received basis)*

<table>
<thead>
<tr>
<th></th>
<th>LCC REJECT VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gross Calorific Value</td>
</tr>
<tr>
<td></td>
<td>Less than 5,900 kcal/kg</td>
</tr>
<tr>
<td>2</td>
<td>Total Moisture</td>
</tr>
<tr>
<td></td>
<td>More than 16% by weight</td>
</tr>
<tr>
<td>3</td>
<td>Ash Content</td>
</tr>
<tr>
<td></td>
<td>More than 16% by weight</td>
</tr>
<tr>
<td>4</td>
<td>Volatile Matter</td>
</tr>
<tr>
<td></td>
<td>Less than 22% by weight, more than 39.9% by weight</td>
</tr>
<tr>
<td>5</td>
<td>Sulphur Content</td>
</tr>
<tr>
<td></td>
<td>More than 1.0% by weight</td>
</tr>
<tr>
<td>6</td>
<td>HGI</td>
</tr>
<tr>
<td></td>
<td>Less than 40 ° H, more than 59 ° H</td>
</tr>
<tr>
<td>7</td>
<td>Size Consist:</td>
</tr>
<tr>
<td></td>
<td>a. Grain Size above 50 mm</td>
</tr>
<tr>
<td></td>
<td>More than 5% by weight</td>
</tr>
<tr>
<td></td>
<td>b. Grain Size Less than 2mm</td>
</tr>
<tr>
<td></td>
<td>More than 30% by weight</td>
</tr>
<tr>
<td>8</td>
<td>Ash Fusion Temperature</td>
</tr>
<tr>
<td></td>
<td>a. IDT (Deformation)</td>
</tr>
<tr>
<td></td>
<td>Less than 1,150°C, More than 1300°C</td>
</tr>
<tr>
<td></td>
<td>b. F.T (Fluid)</td>
</tr>
<tr>
<td></td>
<td>Less than 1,250°C, More than 1500°C</td>
</tr>
</tbody>
</table>

**Note:** R equals Reducing Atmosphere

*Note: Any parameter “within the Reject Value” means that it is less than the stipulated minimum value (e.g. Gross Calorific Value is less than 5900 kCal/kg) or more than the stipulated maximum value (e.g. Total Moisture is more than 16% by weight)*
SCHEDULE 2 - PART A : PRICE VARIATION

Not applicable
SCHEDULE 2  - PART B  : QUALITY PRICE ADJUSTMENTS

(As Received Basis)

1. Gross Calorific Value (GCVar)

   (a) Price Adjustment

   If the actual GCVar of a given shipment is greater than the LCC’s Reference Value for GCVar then the Price of that shipment of Coal shall be increased by an amount in accordance with the following formula:

   (+) Price Adjustment = \[ (FOBT) \times (1.25) \times \frac{Actual \ GCVar - LCC's \ Reference \ Value}{LCC's \ Reference \ Value} \]

   If the actual GCVar of a given shipment of Coal is less than the LCC’s Reference Value for GCVar the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula:

   (-) Price Adjustment = \[ (FOBT) \times (1.25) \times \frac{LCC's \ Reference \ Value - Actual \ GCVar}{LCC's \ Reference \ Value} \]

   (Clarification note: in the event of Actual GCVar is lower than LCC’s Reference Value, the weight of coal for same amount of energy compared to coal with GCVar of LCC’s Reference value would be higher and therefore LCC would be required to incur higher cost for Freight and Barging for the same amount of energy (and vice versa). Hence an adjustment factor has been included for the FOBT price.

2. Sulphur Content

   If the actual sulphur percentage by weight of a given shipment is greater than the LCC’s Reference Value for sulphur percentage then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula:

   (-) Price Adjustment = \[ 0.4\% \times (FOBT) \times \frac{Actual \ sulphur \ % - LCC's \ Reference \ Value \ %}{0.1 \%} \]

3. Ash Content

   If the actual ash percentage by weight of a given shipment is greater than the LCC’s Reference Value for ash percentage then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula:

   (-) Price Adjustment = \[ 0.4\% \times (FOBT) \times \frac{Actual \ ash \ % - LCC's \ Reference \ Value \ %}{1.0 \%} \]
4. **Moisture Content**

If the actual total moisture percentage by weight of a given shipment is greater than the LCC’s Reference Value for total moisture percentage then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following table:

\[ \text{GCV}_{ar} = \text{Gross Calorific Value as received} \]

\[ \text{TM} = \text{Total Moisture as received} \]

<table>
<thead>
<tr>
<th>TM (%) by weight</th>
<th>GCV\text{ar} (kCal/kg)</th>
<th>Price reduction for moisture</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 or less</td>
<td>6300 or more</td>
<td>Nil</td>
</tr>
<tr>
<td>12 to 13</td>
<td>6230 to 6300</td>
<td>Nil</td>
</tr>
<tr>
<td>13 to 14</td>
<td>6160 to 6230</td>
<td>Nil</td>
</tr>
<tr>
<td>14 to 15</td>
<td>6090 to 6160</td>
<td>Nil</td>
</tr>
<tr>
<td>15 to 16</td>
<td>6020 to 6090</td>
<td>Nil</td>
</tr>
<tr>
<td>12 or less</td>
<td>Less than 6300</td>
<td>Nil</td>
</tr>
<tr>
<td>12 to 13</td>
<td>Less than 6230</td>
<td>Applicable</td>
</tr>
<tr>
<td>13 to 14</td>
<td>Less than 6160</td>
<td>Applicable</td>
</tr>
<tr>
<td>14 to 15</td>
<td>Less than 6090</td>
<td>Applicable</td>
</tr>
<tr>
<td>15 to 16</td>
<td>Less than 6020</td>
<td>Applicable</td>
</tr>
</tbody>
</table>

**Price Penalty for moisture for GCV\text{ar} value less than the limiting value of GCV\text{ar}:**

\[ \text{Moisture Penalty} = \left( \frac{\text{GCV\text{ar} limiting value} - \text{GCV\text{ar}}}{\text{GCV\text{ar} limiting value}} \right) \times 0.45 \times \text{FOBT}_f \]

Examples for a price stated below:

\[ \text{FOBT}_f = 100 \text{ USD/MT} \]

**Example 1:**

<table>
<thead>
<tr>
<th>Moisture</th>
<th>= 15% to 16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCV\text{ar} limiting value</td>
<td>= 6020 kcal/kg</td>
</tr>
<tr>
<td>GCV\text{ar}</td>
<td>= 5900 kcal/kg</td>
</tr>
<tr>
<td>Penalty</td>
<td>= {(6020-5900) / 6020} \times 0.45 \times 100</td>
</tr>
<tr>
<td></td>
<td>= 0.897 USD/MT</td>
</tr>
</tbody>
</table>
Example 2:

<table>
<thead>
<tr>
<th>Moisture</th>
<th>= 14% to 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCVar limiting value</td>
<td>= 6090 kcal/kg</td>
</tr>
<tr>
<td>GCVar</td>
<td>= 5950 kcal/kg</td>
</tr>
<tr>
<td>Penalty</td>
<td>= {(6090-5950) / 6090} * 0.45 * 100</td>
</tr>
<tr>
<td></td>
<td>= 1.03 USD/MT</td>
</tr>
</tbody>
</table>

Example 3:

<table>
<thead>
<tr>
<th>Moisture</th>
<th>= 13% to 14%</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCVar limiting value</td>
<td>= 6160 kcal/kg</td>
</tr>
<tr>
<td>GCVar</td>
<td>= 6000 kcal/kg</td>
</tr>
<tr>
<td>Penalty</td>
<td>= {(6160-6000) / 6160} * 0.45 * 100</td>
</tr>
<tr>
<td></td>
<td>= 1.169 USD/MT</td>
</tr>
</tbody>
</table>

5. **Size Consist** - Not applicable

6. **Volatile Matter**

If the actual Volatile Matter percentage by weight of a given shipment is greater than the LCC’s Reference Value for Volatile matter percentage, then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula.

\[
\text{Price Adjustment} = 0.1\% \times (\text{FOBT})_f \times \frac{\text{Actual Volatile Matter }\%}{\text{LCC’s Reference Value }\%} \times 1.0\%
\]
SCHEDULE 3    SHIPPING TERMS

SHIPPING AND TRANSPORT TERMS ON FOBT BASIS

1.    SHIPPING ARRANGEMENTS

The following provisions shall govern the shipping arrangements on FOBT terms:

1.01    Buyer's Right to Designate Vessel Type AND SIZE

The Buyer shall have the right at his sole discretion to nominate vessels of suitable type and size to load the Coal at the Port of Loading and the Vessel shall be geared subject to provisions in the Clause 1.4 in the bid document.

1.02    Delivery Schedule

Seller shall Deliver Coal according to the shipping schedule of the Buyer pursuant to Clause 1.4.

1.03    Seller's Responsibilities

Seller shall arrange Coal to be loaded, stowed and trimmed to the master's satisfaction in respect of sea-worthiness, in free of risk, expense and responsibility to the Vessel and Buyer.

1.04    Buyer's Responsibilities

Buyer shall be solely responsible for the ocean transportation of the Coal and shall arrange for single deck bulk carriers suitable to enter and leave the nominated anchorage of the Port of Loading. Buyer shall ensure that each Vessel designated by him for the carriage of the Coal will:

(a) Provide Seller with free use of winches and related electricity power required by Seller during loading, trimming and stowage of the Coal on board such Vessel; and

(b) Have lighting facilities and crew available during the loading operation. However, loading, stowing and trimming shall be done by the stevedores appointed by the seller at their cost and time. Any machinery (pay loaders) if required for trimming shall be supplied and paid for by the seller.

1.05    Buyer's Shipment Instructions

Vessel Nominations & ETA Notices at Load Port to be given by the Buyer to the Seller

(a). Buyer shall nominate vessels with following details and the demurrage rate for the respective intended vessel or substitute, ten (10) days before the first day of each laycan mentioned in the final laycan for the month agreed upon by the Buyer and the Seller under Clause 1.4 in the bid document.

(i) The name and the particulars of the vessel;

(ii) Estimated time of arrival (ETA) of said Vessel at the Port of Loading; and

(iii) The quantity of Coal to be loaded on board said vessel with ten percent (10%) more or less at shipmaster's option;
(b). Seller shall within one (01) working day after receipt of such notice, confirm to Buyer that the vessel specified by Buyer is acceptable and shall designate a safe anchorage for vessel to load.

(c). In case Seller decides to reject the nomination, Seller shall inform the Buyer of the rejection of the nominated vessel stating reasons for such rejection, within 01 working day after the receipt of the nomination. Within 01 working day after the receipt of the rejection intimation from Seller, Buyer shall nominate another suitable vessel within 01 working day. Seller shall confirm acceptance of the vessel within one (01) working day after receipt of such notice from the Buyer.

The Buyer shall have the right to substitute the vessel accepted by the Seller, if the need arises.

(d). Not later than seven (07) days before the estimated time of arrival at the port of loading, Master of the final nominated performing vessel shall advise the ETA of the vessel by written notice by telefax or email to the Seller's agent together with the Stowage Plan and the Loading Sequence of Coal that the vessel could load with a variation of +/- 10% for making loading arrangements:

(e). Thereafter, the Buyer shall ensure that the Master of each relevant vessel shall provide not less than five (5) and three (3) days' notice, and not less than twenty four (24), eight (8), three (3) and one (1) hours' notice, of that vessel's estimated time of arrival at the Load Port.

1.06. NOTICE OF READINESS AND THE LAYTIME AT THE PORT OF LOADING

(a). Master of the vessel shall tender Notice of Readiness (NOR) to load at any time day or night Saturday, Sunday, holidays including, by telefax/email, after safely anchoring at the designated anchorage and is in all respects ready to load the cargo, whether customs cleared or not and whether in free pratique or not to the Seller/Seller’s agent.

(b). For Notice of Readiness purposes, if a vessel tenders NOR without having ISPS clearance, then the Notice of Readiness is to be re-tendered once ISPS clearance is received.

(c). Lay time shall commence twelve (12) consecutive hours after NOR is tendered by the Master. However, if loading commences before the expiry of such 12 hour period, lay time shall commence to run upon commencement of loading.

(d). Laytime shall cease to count after cargo loading is completed. Time taken for the initial and final draft surveys shall not count as laytime.

(e). In case the vessel loads alongside a berth at a coal loading terminal, the time taken from anchor aweigh or pilot on board, whichever is earlier, until the vessel is all fast alongside, and
ready in all respects to load including hatches passed, customs clearance and free pratique, if applicable, shall not count as laytime or time on demurrage.

(f). If the vessel is ordered by the Port Authorities or Terminal to wait for anchorage, all such time shall be counted as laytime used.

(g). Time required for loading of Vessel’s bunkers and lubricants shall not be included in the laytime except to the extent that the loading of the Coal is carried out concurrently.

(h). Duration of breakdown of ship’s cranes during loading operation shall not be counted as laytime. The time of breakdown of ship’s cranes shall be calculated on a pro rata basis in accordance with the number of Vessel’s cranes in breakdown to the total number of Vessel’s cranes.

(i). If shifting between anchorages or berths is necessary after the Vessel has anchored or berthed at the point of loading, the time required therefore shall be included in the lay time and the costs required for the shifting shall be borne by Seller.

However, if the shipmaster decides to shift the Vessel after it has anchored or berthed for any reason other than the request, order or recommendation from Seller or the port authorities, the time required for shifting shall not be included in the laytime and the costs required therefore shall be for Buyer's account.

1.07 SELLER’S Delivery Obligation and Loading Rate

Seller shall cause and ensure that:

(a) The amount of Coal for each shipment under the Agreement shall be as specified by Buyer in its notice given under Clause 1.05 of this Schedule (subject to adjustment at shipmaster’s option pursuant to Clause 1.05.(d) of this Schedule) and shall be available and ready for loading by ship’s crane, floating crane or shore crane at the nominated loading anchorage/berth; and

(b) Load rate per weather working day of twenty-four (24) consecutive hours, Saturdays, Sundays, and holidays included, shall be as follows.

- South Africa : as per RBCT Guidelines
- Indonesia anchorage ports : 10,000 MT
- Tanjung Bara Coal Terminal : 25,000 MT
- Vanino, Russia : 20,000 MT
- Vostochny, Russia : 9,000 MT

2.0 Demurrage and Dispatch

(a) In the event that Seller is unable to complete the loading, trimming and stowage of a shipment of Coal on board the Vessel within the laytime allowed, Seller shall pay to Buyer demurrage at the rate to be intimated by the Buyer as stated in the Clause 1.0.5.(a) of this Schedule.
If the average Trip Charter Market Daily Earnings rate for Supramax / Panamax vessels for the preceding month to the month, which includes the first date of each laycan, as reported in the Clarkson / PLATTs Shipping Intelligence Weekly Reports, is below USD 13,000, demurrage rate shall be USD 13,000 per day or pro rata for part of a day (including vessel’s idling bunker costs).

If the aforesaid average Trip Charter Market Daily Earnings rate is above USD 13,000 per day, demurrage rate shall be the relevant average Trip Charter Market Daily Earnings rate plus the compensation towards the vessel’s idling bunker cost estimated as USD 2,500 per day or pro rata for part of a day for vessels up to 55,000 MT deadweight and USD 3,000 per day or pro rata for part of a day for vessels above 55,000 MT deadweight.

Maximum demurrage rate shall be USD 23,000 per day (including vessel’s idling bunker costs).

(b) In the event that the loading of a shipment of coal is completed before the expiry of the laytime allowed, the Buyer shall pay to Seller dispatch money at 50% of the demurrage rate for the all laytime saved.

(c) All claims for demurrage or dispatch money, as the case may be shall be settled and paid within 30 days after the completion of loading of that shipment of coal. If amounts are owed to Buyer, and Seller has not paid such amounts within such time period, Buyer shall have the right to deduct such amounts and interest from the earliest available invoice of the Seller.

(d) The Statement of Facts of loading for presentment to Buyer as one of the documents required hereof shall be signed by the supervisor of the stevedores and the Master of the ship.

3.0 Overtime

The expenses required for overtime work shall be borne by the Party who has requested the same. If overtime work is ordered by the port authorities, the expenses therefore shall be borne by Seller; provided, however, the expenses for overtime of the officers and crew of the Vessel shall always be borne by Buyer.

4.0 Costs of Delivery

Seller shall bear all of the costs and expenses of and relating to the loading of the Coal on the Vessel, wharfage, export and other taxes, imposts and other charges imposed by any government or its agencies, as well as other similar costs which are normally considered to be for Seller’s account. Buyer shall bear the shipping agency, berthing, pilotage, tugboat and line handling fees, port charges and other similar costs which normally are considered to be for the Vessel’s account. If there is doubt as to which Party should bear particular costs or expenses, costs or expenses related to the Vessel shall be borne by Buyer, with all other costs and expenses shall be borne by Seller.

5.0 Seller’s Shipment Default

In the event that the amount of Coal which Seller has for any shipment under the Agreement is insufficient to meet Buyer’s requirements for that shipment stated in Clause 1.4 of the Agreement (after taking into account the effect of any action by the shipmaster in accordance
with Sub Clause 1.05(d) of this Schedule), or in the event constituting “Detention of Vessel” due to Seller’s default, then Seller shall pay for any and all losses, damages, and costs (including, without limitation, dead freight and other expenses claimed by the shipping company) suffered by Buyer arising from such insufficiency or such detention damages claimed by the shipping company (or Buyer), and Seller shall, in addition to the payment of demurrage, pay for any and all losses, damages, and costs arising from or relating to any delay by Seller in loading that shipment of Coal. In such event, the losses, damages, and costs shall be calculated in accordance with the time charter rate reported by Clarkson Research Services Ltd. on the B/L date or the demurrage rate as specified in this Agreement, whichever is higher. In the event that no relevant time charter rate has been reported on B/L date, then the immediate succeeding report shall be applied.

6.0 Stevedore Damage

Buyer shall not be responsible for stevedore damage which the Vessel sustains at the Port of Loading. Seller shall indemnify and hold Buyer harmless from any and all losses, claims, actions, costs, expenses, judgments, subrogations, or other damages resulting from injury to any person or damage to property of whatsoever nature of any person arising out of or incident to the performance of the work to load cargo onto the Vessel at the Port of Loading by Seller (including but not limited to Seller’s employees, agents, subseller, stevedore and other designated by Seller to perform the loading work or service in, about or attendant to the loading work).

The Master shall inform stevedores, agents and the buyer as soon as the damage is sustained during loading. The master shall endeavour to obtain stevedores’ written acknowledgement of liability. Owners or Master shall give written notice to stevedores of damage claimed before the vessel sail from the loading port.

Any time lost due to stevedore damage shall count as laytime.

7.0 SHIPPING DOCUMENTS

Within 5 working days after departure of each vessel from the Load Port Seller shall electronically send following shipping documents.

1) Commercial Invoice
2) Bill of Lading
3) Certificate of Analysis
4) Draft Survey Report
5) Certificate of Weight
6) Certificate of Hold Cleanliness
7) Certificate of Origin
The Seller shall send the **originals** of those documents in following numbers through **seller’s Bank** to Buyer.

1) Commercial Invoice (2 originals + 2 copies)  
2) Bill of Lading (3 originals + 2 copies)  
3) Certificate of Analysis (1 original +2 copies)  
4) Draft Survey Report (1 original +2 copies)  
5) Certificate of Weight (1 original +2 copies)  
6) Certificate of Hold Cleanliness (1 original +2 copies)  
7) Certificate of Origin (1 original +2 copies)  

**8.0 ASIAN GYPSY MOTH FREE CERTIFICATES**

In case any shipments are loaded from the ports of Vanino or Vostochny in Russia, during high risk Asian Gypsy Moth months (from 1st July to 31st October, every year), the costs of obtaining the Asian Gypsy Moth Free Certificates for the ships to be incurred by the Buyer shall be reimbursed by the Seller on actual basis.
SCHEDULE 4 : FORM FOR SELLERS PERFORMANCE SECURITY

[On the letterhead of the issuing bank]

[Date]

To: [Buyer]

Dear Sirs,

[Issuing Bank]

Account: Seller

1. We, the undersigned Issuing Bank, understand that:

(a) You, the Buyer, entered into a Coal Supply Agreement (the Agreement) dated __________, as amended with Seller; and

(b) Under the Agreement the Seller must provide to you a performance security.

At the request of the Seller, we (name of bank) ________________ hereby unconditionally and irrevocably undertake as primary obligator and not as surety merely to pay you, the Beneficiary/Buyer, any sum or sums not exceeding in total the amount of ____________ (the "guaranteed amount", say: ____________ ) upon receipt by us of your first demand in writing without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Seller before presenting us with the demand.

We further agree that no change or addition to other modification of the terms of the Agreement to be performed thereunder or of any of the document which may be made between you and the Seller shall in any way release us from any liability under this guarantee, and we hereby waive notice or any such change, addition or modification.

*Any demand for payment must contain your signature(s) which must be authenticated by your bankers or by a notary public. The authenticated demand and statement must be received by us at this office on or before (the date 70 days after the expected expiry of the Term of the Agreement) __________ (the “expiry date”), when this guarantee shall expire and shall be returned to us.

This guarantee is personal to you and is not assignable. This bid security will be governed by the laws of Sri Lanka.

Date __________ Signature(s)_______________________________________________
SCHEDULE 5 : DOCUMENTS CONSTITUTING THE COAL SUPPLY AGREEMENT

1) The Coal Supply Agreement as agreed to by the Parties with all addenda;
2) Notification of Award
3) LCC’s Price Proposal, as agreed and accepted by the Buyer;
4) LCC’s Technical and Commercial Proposal, as agreed and accepted by the Buyer;

These documents collectively shall be referred to as the Agreement.

If one document constituting part of the Agreement (as such may have been modified, Amended or superseded) conflicts with another, the conflict shall be resolved by giving precedence to the documents in the order in which they are listed above. Unless otherwise specified, addenda to documents shall, in the event of conflict, prevail over the documents themselves and later addenda shall prevail over earlier ones.

SCHEDULE 5 A

Documents required for LC

I. Manually signed Commercial Invoice – 2 originals and 2 copies (for provisional drawing)
II. Manually signed Final Commercial Invoice – 2 originals and 2 copies (for final drawing)
III. Original Clean on Board or Charter Party Bill of Lading
IV. Certificate of Origin - 1 original and 2 copies
V. Certificate of weight
VI. Certificate of Analysis of Quality
VII. Draft Survey Report
VIII. Certificate of Hold Cleanliness
IX. Beneficiary’s Certificate Certifying that
   (a) Copy documents have been sent direct to buyer by courier
   (b) Original Statement of Facts, Ship’s Stowage Plan, Ship’s Manifest, Notice of Readiness and Port Log have been sent to the buyer by courier
X. Letter of acceptance
TO: __________________________  ______________________________________ (Buyer)

CERTIFICATE OF ORIGIN

We, the undersigned, do hereby jointly certify to the effect that the information relating to the shipment of coal described below is true and correct and that the shipment of coal was exclusively mined from the coal mine with the name as _______ _______________________________ located in of ______________________ (Country) at ________________ the address of ________________________________

which is owned / operated by the undersigned Coal Mine Owner / Coal Producer.

Contract Number: __________________ Vessel Name: __________________

Gross Weight: ______________ Sailing Date: __________________

Port of Loading: ______________

Destination: __________________

Coal Mine Owner / Coal Producer:

Company Name: ________________________________

Signed by: ________________________________

  (Authorized Signature)

Name: ________________________________

Title: ________________________________

Date: ________________________________

Seller:

Company Name: ________________________________

Signed by: ________________________________

  (Authorized Signature)

Name: ________________________________

Title: ________________________________

Date: ________________________________

Note: If the signature of the authorized officer of the Coal Mine Owner / Coal Producer has not been certified as authentic by a Notary Public, this Certificate of Origin will be unacceptable.
SCHEDULE 7:  LC FORMAT

MT ID:            Priority:
Sender Bank: PSBKLKLX
                PEOPLE’S BANK
                (HEAD OFFICE)
                COLOMBO
Input Message Type: MT 700 LC
Sent To:

MUR:

{1: BASIC HEADER BLOCK
F01PSBKLKLXAXXX . SN . . ISN . . }
{2: APPLICATION HEADER BLOCK
xxxxxxxxxxxxxxxxxxxxxxxxx}
{3: USER HEADER BLOCK
{xxxxxxxxxxxxxxxxxxx } }
{04:
: 27 : SEQUENCE OF TOTAL
1/1
:40A FORM OF DOCUMENTARY CREDIT
IRREVOCABLE
:20: DOCUMENTARY CREDIT NUMBER
xxxxxxxxxxxxxxxxxxxxxxxxx
:31C: DATE OF ISSUE
xxxxxxxxxxxx
:40E: APPLICABLE RULES
UCP LATEST VERSION
:31D: DATE AND PLACE OF EXPIRY
xxxxxxxxxxxxxxxxxxxxxxxxx
:50: APPLICANT
LANKA COAL COMPANY (PRIVATE) LTD, 51/3, DUTUGEMUNU STREET, DEHIWALA, SRI LANKA.
:59: BENEFICIARY
xxxxxxxxxxxxxxxxxxxx
xxxxxxx
:32B: CURRENCY CODE, AMOUNT
USDxxxxxxxxxxxxxxx,
:39A: PERCENTAGE CREDIT AMOUNT TOLERANCE
10/10
:41D: AVAILABLE WITH . . . BY . . .
ADVISING BANK
BY NEGOTIATION
:42C: DRAFTS AT . . .
XXXXXXXXXXXXXX
:42D: DRAWEE
PEOPLE’S BANK, CORPORATE BANKING DIVISION, COLOMBO 10, SRI LANKA
:43P: PARTIAL SHIPMENTS
PROHIBITED
:43T: TRANSSHIPMENT

54
PROHIBITED

:44E: PORT OF LOADING/AIRPORT OF DEPARTURE
XXXXXXXXXXXXXXXXX

:44F: PORT OF DISCHARGE/AIRPORT OF DESTINATION
ANCHORAGE PORT OF PUTTALAM, SRI LANKA

:44C: LATEST DATE OF SHIPMENT
XXXXXXXXXX

:45A: DESCRIPTION OF GOODS AND/OR SERVICES
XXXXX MT +/-10PCT – (COUNTRY OF ORIGIN) STEAM COAL IN BULK

SHIPPING TERMS: FOBT – LOADING PORT (INCOTERMS 2010)

:46A: DOCUMENTS REQUIRED

+1) MANUALLY SIGNED COMMERCIAL INVOICE 02 ORIGINALS AND 02 COPIES SHOWING FOBT VALUE, H.S.CODE NO.2701.12 AND CERTIFYING THAT THE SHIPMENT AND ITS VALUE CONFORM IN ALL RESPECTS TO SUPPLIER’S PROFORMA INVOICE NO . XXXXXXXXXXX DATED XXXXXXXXXXXX AND THE CONTRACT NO, XXXXXXXXXXXX DATED XXXXXXXXXXXX SIGNED BETWEEN LANKA COAL COMPANY (PVT) LTD AND XXXXXXXXXXXXXXXX.

+2) 3/3 ORIGINAL AND 3 NON NEGOTIABLE COPIES CLEAN ON BOARD BILLS OF LADING ISSUED OR ENDORSED TO THE ORDER OF PEOPLE’S BANK MARKED FREIGHT PAYABLE AS PER CHARTER PARTY SHOWING THE FOLLOWING AS NOTIFY PARTY.

NOTIFY PARTY:

CHAIRMAN AND MANAGING DIRECTOR LANKA COAL COMPANY (PRIVATE) LIMITED
51/3, DUTUGEMUNU STREET, SURANIMALA MAWATHA, DEHIWALA
SRI LANKA.

+3) CERIFICATE OF ORIGIN 01 ORIGINAL AND 02 COPIES ISSUED BY CHAMBER OF COMMERCE.

+4) CERTIFICATE OF WEIGHT 01 ORIGINAL AND 02 COPIES ISSUED BY AN INTERNATIONALY ACCEPTED INDEPENDENT INSPECTOR AT THE LORD PORT.

+5) DRAFT SURVEY REPORT ISSUED BY AN INTERNATIONALY ACCEPTED INDEPENDENT INSPECTOR AT THE LOAD PORT.

+6) CERTIFICATE OF SAMPLING AND ANALYSIS 01 ORIGINAL AND 02 COPIES ISSUED BY AN INTERNATIONALY ACCEPTED INDEPENDENT INSPECTOR AT THE LORD PORT.

+7) BENEFICIARY’S CERTIFICATE CERTIFYING THAT:

A) COPY DOCUMENTS HAVE BEEN SENT DIRECT TO APPLICANT BY COURIER

B) ORIGINAL STATEMENT OF FACTS, SHIP’S STOWAGE PLAN, SHIP’S MANIFEST, NOTICE OF READINESS AND PORT LOG HAS BEEN SENT TO THE APPLICANT BY COURIER.

47A: ADDITIONAL CONDITIONS

1) THE NUMBER, DATE OF CREDIT AND THE NAME OF OUR BANK MUST BE QUOTED ON INVOICE.
2) IN THE EVENT OF DOCUMENTS ARE SUBMITTED WITH ANY DISCREPANCY, A SUM OF USD75/- WILL BE DEDUCTED FROM THE PROCEEDS.

3) PAYMENT TERMS:
CREDIT VALUE PRESENTS 100 PCT OF THE FOB VALUE OF THE GOODS.
   A. 85 PCT OF THE INVOICE VALUE IS AVAILABLE UPON PRESENTATION OF THE CREDIT COMPLIED DOCUMENTS SPECIFIED UNDER FIELD 46A IN THIS CREDIT. DRAW should be drawn for 85 PCT OF THE INVOICE VALUE.
   B. THE BALANCE 15 PCT IS PAYABLE UPON RECEIPT OF FOLLOWING DOCUMENTS TO ISSUING BANK,
      i. MANUALLY SIGNED FINAL COMMERCIAL INVOICE IN 02 ORIGINALS AND 02 COPIES FOR FINAL AMOUNT PAYMENT AFTER DEDUCTING THE PROVISIONAL INVOICE AMOUNT.
      ii. CERTIFICATE OF SAMPLING AND ANALYSIS IN 01 ORIGINAL AND 2 COPIES ISSUED BY AND INTERNATIONALLY ACCEPTED INDEPENDENT INSPECTOR AT DISCHARGE PORT SHOWING / EVIDENCING ANALYSIS RESULT OF SAMPLE DRAWN AT DISCHARGE PORT.
      iii. BENEFICIARY'S CERTIFICATE CERTIFYING THAT THE ANALYSIS RESULT OF SAMPLE DRAWN AT DISCHARGE PORT ARE WITHIN THE ACCEPTED QUALITY LEVELS OF COAL SPECIFIED IN CLAUSE 10 OF THE AGREEMENT AND HENCE FINAL ANALYSIS RESULTS AS PER CERTIFICATE OF SAMPLING AND ANALYSIS ISSUED AT THE PORT OF LOADING ARE FINAL AND BINDING FOR QUALITY ADJUSTMENT AS PER THE SCHEDULE 2 OF THE AGREEMENT.
      iv. APPLICANT'S (LANKA COAL COMPANY) LETTER OF ACCEPTANCE AS PER THE SCHEDULE 8.

4) QUALITY ADJUSTMENT’ (IF ANY) SHOWN ON INVOICE ACCEPTABLE.

5) PLUS 10 PERCENT OR MINUS 10 PERCENT IN BOTH QUANTITY AND VALUE IS ACCEPTABLE

6) THIRD PARTY DOCUMENTS ARE ACCEPTABLE EXCEPT DRAFT AND INVOICE.

7) LC OVER DRAWN OR UNDER DRAWN DUE TO PRICE ADJUSTMENT CLAUSE IS ACCEPTABLE.

8) BILLS OF LADING SHOWING CHARTER PARTY AGREEMENT DATE WHICH MAY BE PRIOR TO THE DATE OF LC AND DIFFERENT FROM THE DATE OF BILLS OF LADING IS ACCEPTABLE.

9) CHARTER PARTY BILLS OF LADING ACCEPTABLE.

10) TYPOGRAPHICAL AND SPELLING ERRORS SHALL NOT BE CONSIDERED AS DISCREPANCIES EXCEPT ON AMOUNT, DATE AND QUALITY.

11) ALL ALTERATION ON DOCUMENTS TO BE AUTHENTICATED BY ISSUING AUTHORITY.

12) PHOTOCOPIES IN LIEU OF COPIES ACCEPTABLE.

13) DOCUMENT PRESENTED WITH DIFFERENT HEADERS / TITLES BUT SERVING THE SAME PURPOSE ARE ACCEPTABLE.

14) CERTIFICATE OF SAMPLING AND ANALYSIS IN THE STANDARD FORMAT OF INDEPENDENT INSPECTION AGENCY IS ACCEPTABLE.
15) REQUIRED CERTIFICATES NOT SHOWING THE WORDINGS “INDEPENDENT INSPECTOR” BUT SHOWING SPECIFIC NAME OF THEM IS ACCEPTABLE.

16) ALL DOCUMENTS REQUIRED TO BE PRESENTED SHOULD BE IN ENGLISH.

17) THIS MASSAGE IS THE OPERATIVE CREDIT INSTRUMENT.

:71B: CHARGES
ALL BANKING CHARGES OUTSIDE SRI LANKA ARE FOR BENEFICIARY’S ACCOUNT.

:48: PERIOD OF PRESENTATION
DOCUMENTS PRESENTED LATER THAN 21 DAYS FROM THE DATE OF BILL OF LADING BUT WITHIN THE VALIDITY OF THE CREDIT IS ACCEPTABLE.

:49: CONFIRMATION INSTRUCTIONS
UNCONFIRMED

:78: INSTR. TO PAYING/ACCEPTING/NEG. BANK
+PLEASE ENDORSE ALL DRAWINGS ON THE ORIGINAL LC AND FORWARD ALL DOCUMENTS DIRECT TO PEOPLE’S BANK, CORPORATE BANKING DIVISION NO.35, D.R WIJEWARDENA AWATHA,COLOMBO 10,SRI LANKA BY CORIER SERVICE AND WE SHALL REIMBURSE YOU AS PER PAYMENT TERMS PROVIDED DOCUMENTS ARE COMPLIED WITH ALL CREDIT TERMS AND CONDITIONS.

7D: ADVISE THROUGH BANK
XXXXXXXXXXXXXXXX
XXXXXXXXXXXX

:72: SENDER TO RECEIVER INFORMATION
BENEFICIARY’S CONTACT NOS:

PLS ACKNOWLEDGE RECEIPT OF THIS CREDIT.
-
}
LETTER OF ACCEPTENCE

People’s Bank
Corporate Banking Division
Colombo 10.

Date: 
Serial No. : LCC/xx/T/x/xxxx/LOA/xx
Tender Ref.: : LCC/xx/T/x

Particulars of consignment

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Letter of Credit No.</td>
</tr>
<tr>
<td>2.</td>
<td>Name of Beneficiary</td>
</tr>
<tr>
<td>3.</td>
<td>Name of the vessel</td>
</tr>
<tr>
<td>I.</td>
<td>BL No.</td>
</tr>
<tr>
<td>II.</td>
<td>BL Date</td>
</tr>
<tr>
<td>4.</td>
<td>Description of Cargo including weight</td>
</tr>
<tr>
<td>5.</td>
<td>Beneficiary’s Commercial invoice</td>
</tr>
<tr>
<td>a.</td>
<td>Number</td>
</tr>
<tr>
<td>b.</td>
<td>Date</td>
</tr>
<tr>
<td>c.</td>
<td>Amount certified for payment for this invoice US $</td>
</tr>
<tr>
<td>6.</td>
<td>Summary of payment</td>
</tr>
<tr>
<td>I.</td>
<td>Total Shipment Value US$</td>
</tr>
<tr>
<td>II.</td>
<td>Paid up to last invoice US$</td>
</tr>
<tr>
<td>III.</td>
<td>Certified for this invoice US$</td>
</tr>
<tr>
<td>IV.</td>
<td>Cumulative paid Amount US$</td>
</tr>
<tr>
<td>V.</td>
<td>Balance to be paid US$</td>
</tr>
</tbody>
</table>

Certification:
We certify that the Analysis result of Samples drawn at discharge port are within the accepted quality level of coal specified in clause 10 of the agreements and hence final analysis results as per certificate of sampling and Analysis issued at the port of loading are final and binding for Quality Adjustments as per the schedule 2 of the agreement. Accordingly we hereby by certify the payment of US $ xxxxxxxx (United State Dollars ............ ......................... ......................... ......................... ......................... ......................... only) Pertaining to the above shipment.

Chairman / General Manager
LANKA COAL COMPANY (PVT.) LTD.

CC: (...........Seller.......)

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