



South Aluminum Corporation (SALCO)

Bid Invitation

Date: November 1st, 2020

No.: SALCO-TENDER-04-0042

Subject: Procurement of 2,500 pieces of Insert (Aluminum / steel clad)

South Aluminum Corporation (SALCO) hereby invites all qualified suppliers to bid for supply of following products based on the below terms and conditions.

Description of Products: 2,500 pieces of Insert (Aluminum / steel clad) according to Annex II & Annex III.

Quantity: According to Annex II.

Packing: In boxes of 50 pieces (with approximate weight of 550 kg) on pallet.

Delivery Terms: CFR Bandar Abbas, Iran (As per Incoterms 2020). Partial Shipment is allowed.

Delivery Time: The product shall be delivered by the seller within 4 (Four) months after the contract conclusion.

Manufacturer: China - Xi'an Ruisen Clad Metal and Material Co., Ltd.

Note 1: All Products shall only be supplied from Xi'an Ruisen Clad Metal and Material Co., Ltd. as the manufacturer. Otherwise, the Products shall be rejected by SALCO and the winner/supplier shall bear/compensate all related losses.

Payment Terms:

- **Payment Method:** Total Price shall be paid in cash to the seller's Nominated Account.
- The price of contract shall be paid after products arrive at the customs of Bandar Abbas and the buyer confirms the quantity, quality, and conformity of them through carrying out an inspection at the customs of Bandar Abbas.
- Partial shipment is allowed and Payment for each delivery part will be made separately.
- **Note 2:** Payment of contract price shall be in USD, AED, and/or other foreign currencies, at SALCO's choice. The base of exchange rates shall be XE.COM Websites' exchange rate at the date of payment.

Other Conditions:

Note 3: In order to facilitate the procedure of invoicing and payment, if an Iranian company wins the contract, the winner shall introduce a third-party foreign company and accordingly enter into a tripartite contract/agreement. In case the Iranian winner company fails to introduce a third-party foreign company and enter into a tripartite contract/agreement, the contract award to the mentioned winner shall be considered null and void.

Note 4: An inspection will be carried out by SALCO or its nominated inspector at the manufacturer's factory (in the country of origin), before shipment. After completion of the inspection and confirmation of SALCO, shipment of Products shall be allowed.

Note 5: SALCO will not accept any broken, damaged, and defected Products in the place of delivery and the damaged or defected Products will be rejected by SALCO.

Note 6: For further information on submitting an offer, please study Annex I, Annex II, and Annex III.

Annex I. General Tender Information.

Annex II. Price Table

Annex III. Description of Product.

Note 7: All Interested bidders may obtain further information by contacting the following phone number:

Phone number: +98 21 53745000 Ext. 336

ANNEX I: General Tender Information

Validity: All offers should be valid at least for 90 (ninety) days after the deadline.

Deadline: All offers should reach to SALCO's Legal & Contracts Affairs Department at: No.35, 13th St., Seyyed Jamalluddin Asadabadi Ave, Tehran-Iran, Postal code: 1433673981, in a sealed envelope **no later than COB of December 2, 2025**

Note 8: All received offers by email or fax will not be considered.

Note 9: This tender will not be extended, unless through a further notice given by SALCO. In case of extension of the tender, SALCO will announce it via its official website at www.salcocomplex.com.

Note 10: All sealed envelopes should have followings:

1. Name of Supplier
2. Number of Tender
3. Stamp of Company
4. Specified Envelops A, B, and C

Currency: The requested currency is USD.

Offer Terms: Your offer shall contain followings (Signed and Stamped in a sealed envelope):

Note 11: In case tenderers participate in the tender, but fail to provide essential documents of envelopes A & B, those tenderers can be banned from SALCO 's tenders for the next 6 months. Therefore, it is highly recommended not to participate without mentioned documents preparation, including but not limited to Guarantee.

Envelope "A" Guarantee:

- Tenderers who have representative office in Iran or originally Iranian companies shall provide SALCO with a bank guarantee issued by an Iranian bank for 9,000,000,000 Rials, in favor of SALCO and irrevocable, which can be collected unconditionally and without the need for judicial or administrative action, upon demand. Tenderers must put the original Bank Guarantee in envelope A. If tenderers cannot provide the guarantee by themselves or they do not have representative office in Iran, a third-party company should provide this guarantee on behalf, in favor of SALCO. It also can be frozen from the account(s) payable (if any) in SALCO' s accounting books.
- For those tenderers who want to introduce a third-party company as guarantee provider, there should be the hard copy of a letter (signed and stamped on a letter head) inside the envelope A, addressing the third-party company as the guarantee provider of the tenderer, officially. Otherwise, the envelope C will not be opened.
- Those tenderers who are not able to provide guarantees issued by an Iranian bank, shall pay 8,000 USD (or equal to the mentioned amount in AED currency, based on XE.COM exchange rate at the date of payment) through bank payment to the bank account nominated by SALCO. If bidders are willing to pay by this method, an official email

should be sent to SALCO (to: MIRAGHASI@SALCOCOMPLEX.COM) by them to get the bank account information from SALCO, at least 4 Iranian working days prior to the payment.

- The guarantee amount payment should be made by a company / corporation. It cannot be made by an individual.
- The above-mentioned guarantees will be returned to the tenderers (except the guarantees of the winner & the second-ranked bidder) after the Contract Award. The guarantees of the winner as well as the second-ranked bidder will be held by SALCO and will be released/returned after signing of Contract and submission of Performance Guarantee by the winner.

Envelope "B" (Qualification):

Envelope B should show relevant expertise, capability, knowledge, and experience of tenderers in supply of Tender Products, including the detailed resume of tenderers. Also, tenderers shall print out all pages of this tender document, and put them inside the envelope B, signed and stamped.

Note 12: Technical qualification of all tenderers including their work experiences and resume would be considered & evaluated by SALCO in this stage.

Note 13: If tenderers fail to pass this stage and their qualification is not approved by SALCO, they would be removed from tender process and the envelope C, submitted by them, would not be opened by SALCO in the next stage.

Envelope "C" (Commercial Offer):

Envelope C shall contain the commercial offer of tenderers **as per the price table of Annex II**. Tenderers shall fill out the price table of Annex II and put the filled-out table inside the envelope C.

Additional Information:

Note 14: The Products will be inspected by SALCO or its nominated inspection company at the Manufacturer's Site. So, the winner/supplier/manufacturer should cooperate fully with SALCO or its nominated inspector. If after inspection(s), the quality of Products is not confirmed, SALCO can reject the products and the guarantee(s) submitted by the winner will be seized by SALCO. In this case, all related costs or losses shall be borne by the winner.

Final inspection will take place in SALCO Plant. Without approval of SALCO Technical Team the Products will be rejected.

Note 15: In case a tenderer wins the tender and refuses or fails to act according to its proposed offer and contractual obligations, that tenderer will not be allowed to participate in all future tenders of SALCO and SALCO will be entitled to remove that tenderer from SALCO's Approved Vendor List and immediately seize the guarantee(s) submitted by that winner. SALCO is also entitled to claim the related losses occurred by the said winner/supplier (like price increase which may affect SALCO's supply chain for the occurred delay).

Note 16: This invitation for a tender does not bind SALCO to purchase of such Products. SALCO reserves the right to cancel the above tender without assign any reasons and without any intimation from the bidders.

Note 17: All tender offers must be submitted in person to SALCO's Legal & Contracts Affairs Department in a closed and sealed envelope at the following address. Bidders shall get a delivery receipt from Legal & Contracts Affairs Department of SALCO for delivery of envelopes. **Offers received through email or fax shall not be considered.**

Address: No. 35, 13th St., Seyyed Jamalluddin Asadabadi Av., Tehran-Iran. Postal code: 1433673981

Note 18: SALCO is permitted to set Quantity between the top offers. Number of accepted offers will be decided by SALCO.

Note 19: If within 7 (seven) days after sending a written contract award by SALCO, the winner of the tender does not sign the contract or refuses to accept contractual terms and conditions, SALCO has the right to disqualify the winner, cancel the contract award, seize/withdraw the tender guarantee submitted/paid by the winner, and awards the contract to the second-ranked bidder.

Note 20: The documents of delivered offers of the tender will be destroyed after 30 days from the date of opening the offers' envelopes.

Note 21: The winner of the tender is obliged to provide the Products based on the order codes and brands, inserted in the documents as well as attachments.

Note 22: With the same conditions and prices, SALCO can increase the quantity of required Products up to 25% (twenty-five percent). In this case, the winner of the tender will be informed through a letter by SALCO.

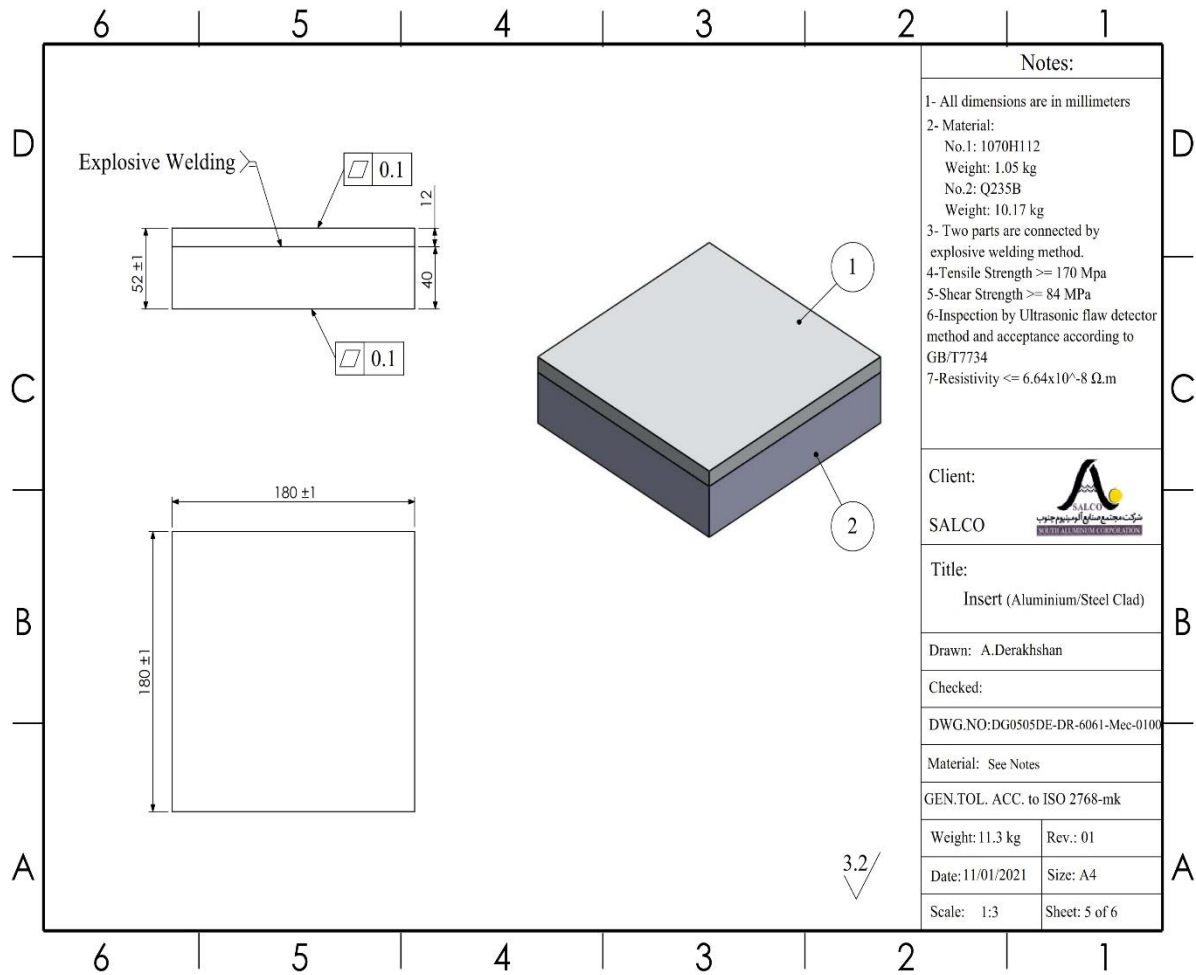
Note 23: Participation in this tender constitutes acceptance of all above-mentioned terms and conditions.

Annex II
Price Table

Items	Quantity/unit	Unit Price (USD)	Total Price (USD)
Insert (Aluminum / steel clad)	2,500 pieces		
Freight (CFR Bandar Abbas)			
Total Price			

Annex III

Description of Product



IN THE NAME OF GOD

Purchase Contract

No.:

Purchase of 2,500 pieces of Insert (Aluminum / steel clad)

Between

SOUTH ALUMINUM CORPORATION (SALCO)

&

Dated:

This Contract (hereinafter referred to as “Contract”) is made and entered into force on by and between:

SOUTH ALUMINUM CORPORATION (SALCO)

Address: No. 35, 13th St., Seyyed Jamaluddin Asadabadi Av., Tehran- Iran Postal Code: 1433673981

Tel: +982153745000

Fax: +982188720140

Email address: info@salcocomplex.com

Authorized signatories: Mr. Mehdi Zahmatkesh as Managing Director and Mr. Ali Abdollahnejad as Board member

Hereinafter referred to as “Buyer” in this Contract

And

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Hereinafter referred to as “Seller” in this Contract

The parties agree as follows:

1. PRODUCTS

Purchase of 2,500 pieces of Insert (Aluminum/steel clad) as per the attachments which are integral parts of the contract.

2. SCOPE OF THE CONTRACT

The seller shall supply the products as per the provisions of this contract. The buyer shall make payment under the article No. 10.

Note: The seller shall submit the original copies of all shipping documents to the buyer, including bill of lading (BL), certificate of origin, packing list, commercial invoice, and proforma invoice (PI).

3. QUANTITY

2,500 pieces

4. QUALITY

As per the attachment which is an integral part of the contract.

5. PRICE

Unit price:

Total Price:

6. MANUFACTURER

China - Xi'an Ruisen Clad Metal and Material Co., Ltd.

Note: All Products shall only be supplied from China - Xi'an Ruisen Clad Metal and Material Co., Ltd. as the manufacturer. Otherwise, the Products shall be rejected by the buyer and the seller shall bear/compensate all related losses.

7. DELIVERY TERM

CFR Bandar Abbas, Iran (As per Incoterms 2020). Partial Shipment is allowed.

8. DELIVERY TIME

The products shall be delivered by the seller within 4 (Four) months after the contract conclusion.

9. PACKING

In boxes of 50 pieces (with approximate weight of 550 kg) on pallet. The boxes shall be well enough to protect the products against any damage during carriage or shipment.

Note: Seller shall be responsible for any damage or loss of products, due to inappropriate or improper packing.

10. TERMS OF PAYMENT

10.1. Total Price shall be paid in cash to the seller's Nominated Account.

10.2. The price of contract shall be paid after products arrive at the customs of Bandar Abbas and the buyer confirms the quantity, quality, and conformity of them through carrying out an inspection at the customs of Bandar Abbas. Since partial shipment is allowed, payment for each delivery part will be made separately.

Note: Payment of contract price shall be in USD, AED, and/or other foreign currencies, at SALCO's choice. The base of exchange rates shall be XE.COM Websites' exchange rate at the date of payment.

11. SUPERVISORY BODY

The supervisory body for this contract is the Commercial Deputy of the buyer. The seller shall perform contractual obligations as per this contract, under supervision of the supervisory body.

12. INSPECTION

12.1. An inspection will be carried out by the buyer or its nominated inspector at the manufacturer's factory (in the country of origin), before shipment. After completion of the inspection and confirmation of the buyer, shipment of Products shall be allowed.

12.2. The seller shall introduce its contact person for inspection arrangements.

12.3. Final inspection will be carried out at SALCO Plant. Without confirmation of the buyer's Technical Team, the cargo will be rejected.

12.4. If after inspection(s), the quality of Products is not confirmed, the buyer can reject the products and the guarantee mentioned in Article No. 15, will be seized by the buyer. In this case, all related costs or losses shall be borne by the seller.

13. NON-CONFORMITY

The seller undertakes to guarantee the quality of total products of the contract and their conformity with the standard specifications and descriptions. All products must be new, original, high quality, standard, without any defect or damage. If during the inspection(s) or delivery, defects or non-conformities are observed in the delivered products, Buyer has the right to reject the defected, damaged, or nonconforming products to the seller. Accordingly, equivalent to the price of such rejected nonconforming products shall be deducted by the buyer from the total price of the contract and/or shall be withdrawn by the buyer from the guarantee mentioned in the article No. 16.

14. QUANTITY INCREASE

With the same conditions and prices, the buyer can increase the quantity of Products up to 25% (twenty-five percent). In this case, the seller will be informed through a letter by the buyer.

15. TERMINATION

If at any time the seller fails to conduct and observe any of the contractual terms and conditions as well to comply with its obligations, especially if the seller fails to supply the products from China - Xi'an Ruisen Clad Metal and Material Co., Ltd., the buyer has the right to terminate the contract unilaterally and seize the guarantee mentioned in Article No. 16, and/or claim through other legal means.

16. PERFORMANCE GUARANTEE

The seller shall provide the Buyer with a performance bank guarantee equal to 5 % (five percent) of the total price of the contract, in Iranian Rial. The amount of the mentioned bank guarantee shall be calculated, in Rial, and informed by Buyer. If the seller cannot provide the performance bank guarantee, the buyer can freeze 5 % (five percent) from Total Price of Contract or from an account payable in SALCO introduced by the seller, instead. The performance guarantee shall be released/refund by the buyer after full delivery of Products by Seller and confirmation of Buyer on quantity, quality, and conformity of Products. The performance guarantee shall be submitted/paid by the seller when Contract is signed and exchanged.

Note: If the seller fails to fulfill any of contractual obligations under this contract, the buyer is entitled to withdraw/collect the amount of the performance guarantee.

17. PENALTY CLAUSE

17.1. In case the seller delays in delivery of the products, as per the article No. 8 of the Contract, the seller shall pay 3% (three percent) of the Total Price of the contract for each month of delay in delivery of the Products. The penalty (if any) shall be deducted by the buyer from Total Price of Contract and/or shall be withdrawn/collected by the buyer from the

guarantee mentioned in the article No. 16.

17.2. The delay shall not be more than 2 (two) months. In case of delay more than 2 (two) months, the buyer can terminate the contract unilaterally and seize the guarantee mentioned in Article No. 16, and/or claim through other legal means.

18. FORCE MAJEURE

Neither buyer nor seller shall be liable for delay or failure in performing all or any part of this contract, to the extent that it has been obstructed, due to cases of Force Majeure of any kind, including strikes, lockouts, floods, act of God, war, civil commotion and other causes, beyond the reasonable control of buyer or seller. Sanction and currency fluctuation are not included in force Majeure. In case if force majeure happens, the buyer/seller shall inform this matter in written not later than 3 working days. Either party declaring Force Majeure shall promptly give documentary evidence such as a certificate from the chamber of commerce or any other competent authority proving the Force Majeure.

19. SETTLEMENT OF DISPUTES

All disputes or claims arising out of or in connection with this contract, including any question regarding its existence, validity, termination, breach or interpretation, shall be referred to and finally resolved by arbitration administered by the Arbitration Center of Iran Chamber (ACIC) in accordance with the Arbitration Rules of the Arbitration Center of Iran Chamber (ACIC Rules). This arbitration clause shall be treated as an agreement independent of this contract and shall in any case be binding.

20. GOVERNING LAW

This Contract shall be interpreted, enforced, governed by and construed in accordance with the laws of Islamic Republic of Iran.

21. WAIVERS

No amendment, modification or waiver of any provision of this Contract or of any right, power or remedy shall be effective unless made expressly and in writing, and acceptable by the parties of this Contract.

22. CHANGE OF MANAGEMENT/OWNERSHIP

Any change in the Management, Ownership, or Leadership of the buyer or seller shall not affect this contract or any of its provisions, rights or terms. No amendment, modification, change, or waiver in this contract is allowed by new Management, Ownership or Leadership in Buyer or Seller, unless through mutual agreement.

23. NUMBER OF COPIES

This Contract is written and signed with 23 (twenty-three) Articles in pages and in 3 (three) copies with the same validity.

For SOUTH ALUMINUM CORPORATION (SALCO)	
Mr. Mehdi Zahmatkesh Managing Director	Mr. Ali Abdollahnejad Board Member
For	
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