

**CONTRACT No. AMZ/2024-2026**

This Contract made on this day, 26<sup>th</sup> of April 2024 by and between:

**Global Ispat Koksna Industrija d.o.o. Lukavac” (GIKIL) a company incorporated under the laws of Bosnia and Herzegovina and having its registered office at Željeznička broj 1 75300 Lukavac Bosnia and Herzegovina (which expression shall mean and include its successors, heirs and assignees) (hereinafter referred to as “the Seller”)**

and

**“Arcelor Mittal Zenica d.o.o. Zenica” (AMZ) a company incorporated under the laws of Bosnia and Herzegovina and having its registered office at Bulevar Kralja Tvrtka I No. 17, 72000 Zenica, Bosnia and Herzegovina which expression shall mean and include its successors, heirs and assignees) (hereinafter referred to as “the Buyer”)**

Therefore, in consideration of the mutual covenants herein contained, Seller and Buyer hereto mutually agree as follows:

**ARTICLE 1. DESCRIPTION OF THE GOODS:**

Goods: **Metallurgical coke 25-80mm** complying with the following specifications:

<b>Parameters</b>	<b>Guaranteed</b>	<b>Rejection Limit</b>
Moisture	6 % max	No rejection
Ash (dry)	11,00 % max	>12,50%
Volatile (dry)	1.0 % max	>1.50%
Sulphur (dry)	0.75% max	>0.85%
Phosphorous (dry)	0.035% max	>0.045%
M40	80 % min	<78%
M10	8 % max	>10%
CSR	60 % min	<56%
CRI	30 % max	>34%
Size (round sieves):	25-80 mm	86% min
(-25 mm)	6% max	>10% of undersize
(+80 mm)	8% max	>10% of oversize

**ARTICLE 2. QUANTITY AND DELIVERY**

**- 25.000MT (+/-10% in Buyer’s option) per month in period from 01st June 2024 till 31st May 2027.**

**ARTICLE 3. PRICE**

**PRICE on DAP Zenica = PRICE on FCA Lukavac (Coke price FCA Lukavac) rounded on two decimals places + Actual transport cost Lukavac-Zenica invoiced by ZFBH.**

Where

• PRICE on FCA Lukavac (Coke price FCA Lukavac) in USD/mt, rounded on two decimals places, shall be the lower between FORMULA (I) and FORMULA (II) as follows: FORMULA (I) to apply as long as it does not exceed the FORMULA (II). In case it exceeds, the PRICE on FCA Lukavac (Coke price FCA Lukavac USD/mt) would be equal to FORMULA (II) all based on average indexes of the month prior to the planned month of delivery.

• **PRICE FORMULA (I) on FCA Lukavac (Coke price FCA Lukavac) rounded on two decimals places:**

$$((\text{Coal price FOB as per Platts index} * \text{conversion coal to coke ratio}) + \text{logistics}) * \text{conversion factor FCA Lukavac (\$/mt)} = (((A * B) + C)) * D + E$$

Where:

A: **Platts Coal Trader International**, Platts daily metallurgical coal assessments, Atlantic Coking Coal (\$/mt) monthly average from the previous month calculated with rounding on two decimal places:

- Low Vol HCC - 15%
- High Vol A - 45%
- High Vol B - 30%
- LV PCI - 10% (Asia – Pacific coking coal (\$/mt))

"A" shall be calculated with rounding on decimal places (Low Vol HCC \*15%) + (High Vol A \*45%) + (High Vol B \*30%) + (LV PCI \*10%).

B: **Conversion coal to coke ratio** agreed in period from 1st April 2024 till 31<sup>st</sup> December 2026 is 1,22.

C: **Logistic cost** (Actual cost of discharge at Ploce and actual railways cost from Ploce to Lukavac) shall be calculated with rounding on two decimal places, as the actual monthly average from the previous month based on relevant daily middle exchange rate published by Central Bank of Bosnia and Herzegovina as sent by the Seller.

Annual increase of Railways cost not to exceed the BiH CPI as published in <https://bhas.gov.ba/Calendar/Category/10>

D: **Coefficient is variable depending from the Coal blend price (A)**, as follows:

Coal FOB	Coefficient
100-104,99	1,38225
105-109,99	1,38225

110-114,99	1,35800
115-119,99	1,35800
120-124,99	1,33375
125-129,99	1,33375
130-134,99	1,30950
135-139,99	1,30950
140-144,99	1,28525
145-149,99	1,28525
150-154,99	1,26100
155-159,99	1,26100
160-164,99	1,23675
165-169,99	1,23675
170-174,99	1,21250
175-179,99	1,21250
180-184,99	1,18825
185-189,99	1,18825
190-194,99	1,16400
195-199,99	1,16400
200-204,99	1,16400
205-209,99	1,16400
210-214,99	1,13975
215-219,99	1,13975
220-229,99	1,11550
230-239,99	1,10580
240-259,99	1,10095
260-269,99	1,09610
270-279,99	1,09125
280-289,99	1,08640
290-299,99	1,08155
>300	1,07670

**E: Correction factor** means additional cost for difference between Platts Panamax Freight Mobile – Rotterdam and 16 USD/mt as based Sea Freight. Correction factor will not be applied if Platts Panamax Freight Mobile – Rotterdam goes below 16 USD/mt. For coal blend price above 230 USD/mt, Correction factor E means additional cost for difference between Platts Panamax Freight Mobile – Rotterdam and 21 USD/mt. Correction factor for coal blend price above 230 USD/mt will not be applied if Platts Panamax Freight Mobile – Rotterdam goes below 21 USD/mt.

**Platts Panamax Freight Mobile – Rotterdam** monthly average from the previous month calculated with rounding on two decimal places.

**PRICE FORMULA (II) on FCA Lukavac (Coke price FCA Lukavac)** rounded on two decimals places:

Coke price FCA Lukavac (\$/mt) shall be calculated in excel spreadsheet = A x 112% USD/mt  
Where:

A: Platts Coal Trader International, Platts daily metallurgical coke FOB North China (Coke CSR 60/62) monthly average from the previous month of the planned month of delivery, calculated in excel spreadsheet without rounding on two decimal places.

#### **ARTICLE 4. PRICE ADJUSTMENTS:**

If any quality parameter for the Products set out above is shown in the Certificate of Analysis to have exceeded its Rejection Limit, the shipment must be considered as having exceeded the Rejection Limit and may be rejected by the Buyer

**Moisture** (as received): Any excessive Moisture over 6% shall be deducted from invoice weight, fractions pro rata.

**Ash** (dry basis): USD 1.00/mt price reduction for each 1% of Ash above the guaranteed up to rejection, fractions pro rata.

**Volatile Matter** (dry basis): USD 1.00/mt price reduction for each 0.1% of Volatile Matter above guaranteed up to rejection, fractions pro rata.

**Sulphur** (dry basis): USD 1.00/mt price reduction for each 0.1% of Sulphur above guaranteed up to rejection, fractions pro rata.

**Phosphorous** (dry basis): USD 1.00/mt price reduction for each 0.01% of Phosphorous above guaranteed up to rejection, fractions pro rata.

**M40**: USD 1.00/mt price reduction for each 1% of M40 below guaranteed down to rejection, fractions pro rata.

**M10**: USD 1.00/mt price reduction for each 1% of M10 above guaranteed up to rejection, fractions pro rata.

**CSR**: For every 1% below 60% a reduction of USD 1.00 PMT would be effected. Any part deviation shall be calculated on pro-rata basis up to rejection limit.

**CRI**: For every 1% over 30% a reduction of USD 1.00 PMT would be effected. Any part deviation shall be calculated on pro-rata basis up to rejection.

**Size**: USD 1.00/mt price reduction for each 1% of undersize above guaranteed up to rejection, fractions pro rata and USD 1.00/mt price reduction for each 1% of oversize above guaranteed up to rejection, fractions pro-rata.

Price adjustments if any shall be calculated in excel spreadsheet mutually agreed between the Parties by email.

If Buyer accepts rejected cargo, all penalties will be agreed mutually in good faith

#### **ARTICLE 5. PAYMENT**

60 days payment with a promissory note without protest.

In order to ensure payment, the Buyer will deliver to the seller:

10 (ten) blank promissory notes with the clause "NO PROTEST" and promissory note authorizations for filling them

Issued promissory notes are an instrument for securing the payment of all obligations from this contract and they can be used to collect all due and unpaid claims in accordance with the authorization to fill out the promissory note and the positive regulations applicable to the promissory note.

*[Handwritten signature]*

*[Handwritten initials]*

**ARTICLE 6. DESCRIPTION OF THE OTHER GOODS which is part of the contract**

**1. Breeze coke 0-10mm produced at GIKIL, Lukavac** (-1mm 28%max, +10mm 15%max),  
Moisture 16% max; Ash(dry) 15% max; VM(dry) 1,5% max; S(dry) 0,8% max

- Price adjustment:

Following penalties will be applicable in case of deviation from agreed conditions:

- Moisture - for every 1% moisture above agreed 16% pro-rata deduction will be applied
- Ash - for every 1% ash above agreed 15% penalty 1,00 USD/Mt pro-rata will be applied
- VM - for every 0,1% VM above agreed 1,5% penalty 1,00 USD/Mt pro-rata will be applied
- Sulphur - for every 0,1% S content deviation above agreed 0,8% S penalty 1,00 USD/Mt pro-rata will be applied
- Grain size <1 mm - for every 1% deviation above agreed 28% penalty 1,00 USD/Mt pro-rata will be applied
- Grain size >10 mm - for every 1% deviation above agreed 15% penalty 1,00 USD/Mt pro-rata will be applied

If Buyer accepts rejected cargo, all penalties will be agreed mutually in good faith

- **Quantity: 2.000 t/month +/- 10% for period 1st April 2024 till 31st December 2026.**

- **Price: ((Formula Met coke) x 0,55.**

- **INCO terms : FCA, Lukavac,**

- **60 days payment with a promissory note will be applicable.**

**2. Nut coke 10-25mm produced at GIKIL, Lukavac** (-10mm 10%max, +25mm 10%max)

Moisture: 16% max; Ash: 15% max; VM: 1,5% max; S: 0,8% max;

- Price adjustment:

Following penalties will be applicable in case of deviation from agreed conditions:

- Moisture - for every 1% moisture above agreed 16% pro-rata deduction will be applied
- Ash - for every 1% ash above agreed 15% penalty 1,00 USD/Mt pro-rata will be applied.
- VM - for every 0,1% VM above agreed 1,5% penalty 1,00 USD/Mt pro-rata will be applied
- Sulphur - for every 0,1% S content deviation above agreed 0,8% S penalty 1,00 USD/Mt pro-rata will be applied.
- Grain size <10 mm - for every 1% deviation exceeding the max. allowed 10% tolerance penalty 1,00 USD/Mt pro-rata will be applied.
- Grain size >25 mm - for every 1% deviation exceeding the max. allowed 10% penalty 1,00 USD/Mt pro-rata will be applied.

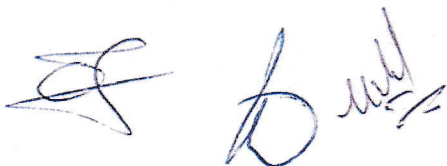
If Buyer accepts rejected cargo, all penalties will be agreed mutually in good faith

- **Quantity: 1.000 t/month +/- 10% 1st April 2024 till 31st December 2026.**

- **Price: (Formula Met coke) x 0,55.**

- **INCO terms : FCA, Lukavac,**

- **60 days payment with a promissory note will be applicable.**



## **ARTICLE 7. ACCEPTANCE OF THE GOODS:**

### **7.1. By Quantity**

GIKIL's weight bill is final and binding for both parties. The difference between the 2 weight scales is allowed to be +/-2%. All differences above +2% will be solved using the average of 2 weight scales.

### **7.2. By Quality**

Sampling and analysis protocol will be as follow:

Analysis per accredited ISO methods by independent laboratory to be performed for each train for each parameter as follows:

#### **Analysis protocol**

ISO 18283 - Sampling and laboratory sample preparation at place of loading

ISO 579 – Total Moisture as received

ISO 1171- Ash dry basis

ISO 562– Volatile Matter dry basis

ISO 19579 – Sulphur dry basis

ISO 622 - Phosphorous dry basis

ISO 556 - Micum, M40 and M10 (material +40mm will be tested)

ISO 728 – Size Analysis - (sieves with round hole) (above 80mm, 25-80mm, below 25mm)

ISO 18894 – CSR/CRI

Independent laboratory shall keep the sample of each parameter for 3 months in case of issued claim by AMZ.

#### **Sampling protocol**

Samples of the Goods shall be taken during loading of Goods into wagons by the GIKIL/PPD independent laboratory in accordance with "ISO Methods for sampling of Coal and Coke" - ISO 18283. The sampling point shall be during loading of the wagons where sampling will be carried out from falling stream of Goods with cup sampler or at the open stockpile from grab used for loading of the wagons. After treatment, part of samples shall be used for analysis and the other parts shall be kept as spare samples under by GIKIL/PPD independent laboratory custody for three (3) months, for use for any future requirements/claims issued by the AMZ. All spare samples shall be stored and kept with reference numbers under records of GIKIL independent laboratory. Goods shall be:

(a) Sampled performed and analysed by GIKIL independent laboratory

(b) Sampled and analysed upon being received by AMZ in his independent laboratory.

If the AMZ determines that the quality of dispatched Goods does not meet the required quality specification as per GIKILs independent laboratory, they will place the claim by written notice sent via email latest 7 days from the date of delivery that is determined as lower quality.

The AMZ and the PPD/GIKIL shall try to find solution of the claim. In case out of agreement, the PPD/GIKIL and AMZ shall send the reserve sample for the relevant claimed train

taken at Producer (GIKIL) and send to the neutral accredited laboratory agreed by the both parties.

The neutral accredited laboratory will test and analyses the relevant reserve samples in accordance with the analysis protocol. The neutral accredited laboratory shall draft and issue written reports and certificates of analysis and shall supply copies of each such report and certificate of analysis to tboth parties. Each certificate of analysis by the accredited laboratory shall constitute conclusive

proof of the matters set forth therein. The result of the analyzed samples shall be final and binding for both Parties.

Cost of sending the reserve sample and analysis at the third neutral accredited laboratory will be borne by the party whose results have a greater difference.

**ARTICLE 8. FORCE MAJEURE:**

8.1. The Force Majeure (Exemption) clause of the International Chamber of Commerce (ICC Publication No. 421) is hereby incorporated in this contract.

**ARTICLE 9. CLAIMS AND NOTICES:**

9.1. Any claims that may arise are to be submitted within 15 days after completion of dispatch, accompanied by official documents supporting claim as well as claim for any compensation. The party, receiving the claims, must investigate the matter and reply not later than 7 days from the date of receipt of the same. During this period, Buyer agrees to keep full cargo quantity at a separate area in the premises.

9.2. The amount of the claim per unit quantity from the Buyer/Seller may not exceed the contractual unit value of the claimed goods plus transportation costs, if necessary. In no event shall Seller be liable for any special or consequential damages, including but not limited to damages for loss of revenue, cost of capital, claims of the third parties and other costs and expenses which may incur unless such damages were caused because of gross negligence of the Seller.

9.3. In case the Buyer fails to make claims in terms stated in Article 9.1 of the present Contract, it will lose the right to claim the Seller on the cargo sold by the present Contract.

9.4. The Parties choose their respective addresses set out in this Article for all purposes arising out of or in connection with this agreement, at which addresses all processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the Parties.

9.5. In the case one of the parties is not able to fulfill contractual obligations it must inform the other party within at least 30 days of the day of inability to fulfill contract obligations by written notice.

9.6. In the case of taking over or delivering less than contracted quantities, the parties shall discuss in good faith to find a mutually acceptable solution

9.7 Either party can terminate the contract by written termination notice with 90 days written notice period beginning on the date of termination notice to the other party .



**ARTICLE 10. GOVERNING LAW**

10.1. This Contract shall be governed by, construed and interpreted in accordance with the Laws of Bosnia and Herzegovina.

**ARTICLE 11. OTHER CONDITIONS:**

11.1. After having signed this contract all previous correspondence and negotiations pertaining to it shall become null and void.

11.2. Any amendments and supplements to this contract are valid only if they are made in writing and signed by authorized persons for each Party.

11.3. Both parties having understood all terms and conditions of this current Contract which is written in English, agree to honour all Articles with all privilege rights and immunities thereto.

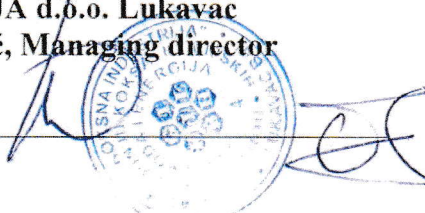
11.4. Neither party to this agreement will be entitled to assign any of its rights or obligations hereunder without the prior written consent of the other Party, and subject to the assignor becoming guarantor of all the assignee's obligations hereunder.

11.5. The Parties have executed this Contract consisting of 7 pages in total and set their signature and seal on the date below mentioned.

**SELLER:**

**GLOBAL ISPAT/KOKNA  
INDUSTRIJA d.o.o. Lukavac  
Almin Suljić, Managing director**

Date:



**BUYER:**

**ARCELOR MITTAL ZENICA d.o.o.  
Mehta Nikhil Himatlal, CEO**

Date: 11/05/2024.

