

ROY HILL

Sales Agreement (Iron Ore Spot Sale)

CFR

Date: x.x.xx

Seller: Roy Hill Iron Ore Pty Ltd

Buyer: [insert Buyer name]

Product: Medium Blend

Agreement No: RH [0000] [XXX]

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Parties

Seller: Roy Hill Iron Ore Pty Ltd of 5 Whitham Road, Perth Airport, Western Australia 6105

Buyer: the Party identified as the Buyer in **schedule 1**

Background

- A The Seller agrees to sell Product to the Buyer in accordance with the terms of this Agreement.
 - B The Buyer agrees to buy Product from the Seller in accordance with the terms of this Agreement.
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Agreement Terms

1 Defined Terms and Agreement Construction

1.1 Defined Terms

The defined terms used in this Agreement are set out in **schedule 6**.

1.2 Agreement construction

- (a) Rules of construction for this Agreement are set out in **schedule 6**.
- (b) To the extent of any inconsistency, the Special Conditions take priority over all other parts of this Agreement.

2 Product Quantity and Specifications

2.1 Sale and purchase of Product

The Seller sells to the Buyer and the Buyer buys from the Seller the Quantity of Product on the terms set out in this Agreement.

2.2 Product Specifications

- (a) The Product's target and minimum specifications are set out in **schedule 3**.
- (b) The Product's actual specifications are calculated in accordance with **clauses 8.3 to 8.6**.
- (c) If the Product doesn't meet the minimum specifications, the Final Amount Due is reduced in accordance with **schedule 3**. This price reduction is the Buyer's sole remedy if the Product doesn't meet the specifications.

3 Incoterms

3.1 Applicable Incoterms

Subject to **clause 3.2**, the Product is sold and bought under this Agreement on either a CFR or CIF basis in accordance with **schedule 1**.

3.2 Inconsistency with the Incoterms

The terms of this Agreement take priority to the extent of any inconsistency with the Incoterms.

4 Passing of title, risk, and costs

4.1 Passing of title

Title in the Product passes to the Buyer upon payment of the Provisional Amount Due to the Seller.

4.2 Passing of risk and costs

Risk and costs in the Product passes to the Buyer in accordance with the Incoterms.

4.3 Insurance

During ocean transit, the Product must be appropriately insured by:

- (a) the Seller if sold on a CIF-basis; or
- (b) the Buyer if sold on any other basis.

5 Shipping of Product

5.1 Seller to arrange shipping

- (a) The Seller must arrange shipping of the Product between the Loading Port and Discharge Port.
- (b) The Product must be shipped in an ore-carrier or bulk-carrier suitable for grab discharge at the Discharge Rate at one or two safe berths at one safe discharge port.

5.2 Vessel nomination

- (a) The Seller must nominate a suitable vessel to the Buyer at least 5 Business Days before the first day of Laycan.
- (b) The vessel nomination must specify:
 - (i) this Agreement;
 - (ii) the name of the vessel;
 - (iii) the age of the vessel;
 - (iv) the flag of the vessel;
 - (v) the vessel's main particulars and classification; and
 - (vi) the vessel's Demurrage Rate.
- (c) The Buyer must notify the Seller whether it accepts or rejects the vessel nomination. The Buyer must not unreasonably reject a vessel nomination. If the Buyer does not either accept or reject the vessel nomination within 2 Business Day of receipt, it is taken to have irrevocably accepted the vessel nomination.
- (d) If the Buyer validly rejects the vessel nomination, the Seller must arrange a suitable alternative vessel and repeat the process set out in this clause until the vessel nomination is accepted.

5.3 Notification of departure

When the loaded vessel leaves the Loading Port, the Seller must promptly notify the Buyer:

- (a) the date of departure from the Loading Port; and
- (b) the estimated date of arrival at the Discharge Port.

5.4 Declaration of Discharge Port

- (a) If not specified in **schedule 1**, the Buyer must notify the Seller of the Discharge Port by no later than 5 calendar days after the date of the Seller's Certificate of Analysis.
- (b) The Buyer must notify the Seller of any second Discharge Port promptly, and in any case by no later than 6 calendar days before the vessel is due to arrive at the second Discharge Port.
- (c) Once the Buyer has notified the Seller of a Discharge Port, that Discharge Port cannot be changed without the Seller's consent (such consent not to be unreasonably withheld). A refusal by the shipowner will be a reasonable ground to refuse consent. Requiring the Buyer to reimburse the Seller for any additional costs incurred by the Seller for changing a Discharge Port is a reasonable condition of consent.

6 Unloading at the Discharge Port

6.1 Buyer to provide safe berth

The Buyer:

- (a) must arrange one or two safe berths at the Discharge Port that:
 - (i) the vessel can lie safely afloat; and
 - (ii) are immediately free and accessible;when the vessel arrives at the Discharge Port.
- (b) indemnifies the Seller for any liability, loss, or costs caused by a breach of **clause 6.1(a)** by the Buyer;
- (c) subject to the Turn Time, must arrange for the Product to be immediately unloaded from the vessel at the Buyer's risk and cost after it arrives at the Discharge Port.

6.2 Agency, port charges, dues and taxes

- (a) The Seller will appoint an agent at the Discharge Port. The Buyer may recommend an agent to the Seller.
- (b) The Seller is liable for all port charges associated with bringing the vessel alongside the discharge berth.
- (c) The Buyer is liable for any taxes, dues, or other charges levied against the Product, except those listed in **clause 6.2(b)**. All charges must be paid promptly by the Buyer so that the Buyer is able to take delivery of the Product without delay.

6.3 Notice of Readiness

A Notice of Readiness may be issued at any time after the vessel is ready to unload; regardless of whether the vessel is in berth, or awaiting free pratique or customs clearance.

6.4 Counting of Laytime

- (a) After valid Notice of Readiness is issued, counting of Laytime begins from the first to occur of:
 - (i) the Turn Time expires; or
 - (ii) the vessel begins unloading the Product.
- (b) Counting of Laytime ends from the last to occur of:
 - (i) the vessel finishes unloading the Product; or
 - (ii) the Buyer finishes its draft survey.

- (c) If the Buyer requires the vessel to unload at two Discharge Ports, time does not count towards Laytime for any period between:
 - (i) finishing unloading at the first Discharge Port; and
 - (ii) the expiry of the Turn Time at the second Discharge Port after the first to occur of:
 - (A) a valid Notice of Readiness is issued for the second Discharge Port; or
 - (B) the vessel begins unloading the Product at the second Discharge Port.
- (d) If the Buyer requires the vessel to shift between berths:
 - (i) the time required to shift the vessel counts toward Laytime; and
 - (ii) the Buyer is liable to the Seller for any additional costs incurred due to shift between berths.
- (e) Any unloading time lost due to:
 - (i) the vessel's inability to unload at the Discharge Rate;
 - (ii) the vessel's inability to ballast or deballast at a commensurate rate to the Discharge Rate;
 - (iii) any other defect or deficiency in the vessel;
 - (iv) any unreasonable act or omission of the vessel's crew;
 does not count towards Laytime.
- (f) Any Force Majeure Event does not interrupt the counting of Laytime for any vessel already on demurrage.
- (g) The Laytime at the Discharge Port will be calculated based on the quantity of Product set out in the Seller's Certificate of Weight and the vessel's Discharge Rate.

6.5 Demurrage and despatch rates

- (a) If it unloading the vessel takes longer than the Laytime, the Buyer must pay the Seller demurrage on any excess at the Demurrage Rate.
- (b) If unloading the vessel takes less than the Laytime, the Seller must pay the Buyer despatch on any shortfall at half the Demurrage Rate.

6.6 Letter of Indemnity

- (a) The Seller shall require, as a condition to issuing a letter of indemnity in favour of the owner of a vessel for cargo discharge and release without production of the original bill(s) of lading, provided that:
 - (i) the Buyer issues a letter of indemnity in favour of the Seller on exactly the same terms as the owner of the vessel requires from the Seller; and
 - (ii) the Seller has received in cleared funds in the Seller's bank account the Expected Value or the advising bank confirms to the Seller that payment of the Expected Value has been received pursuant to the Letter of Credit, subject the documents stipulated in clause 9.6(a) being submitted without any discrepancies
 - (iii) However, the Seller may, in its absolute discretion and without prejudice to the Seller's right to receive payment, treat clause 9.6(a) as satisfied if the Buyer provides to the Seller a copy of the issuing bank's transmitted remittance advice in the form of an authentic tested SWIFT message (MT756, MT202 or MT799) or bank slip as evidence that the full Expected Value has been remitted pursuant to the Letter of Credit or has received a workable Letter of Credit in case there is some delay in documents presentation for buyer to process payment in timely fashion.

- (iv) If the Buyer does not remit the payment by the end of the fifth (5th) Business Day from the receipt of clean documents by the LC issuing bank, then the Buyer will be liable for any incremental demurrage and other port costs payable as a direct result of the delay in discharge of the vessel.
- (v) Where the letter of indemnity is not issued by the Seller because the requirement in clause 6.6 has not been satisfied despite all reasonable efforts having been undertaken by the Buyer to satisfy clause 6.6(a)(ii) without delay, then the Seller agrees to pay for any incremental laytime and other vessel or port costs payable as a direct result of the delay in discharge of the vessel up to a maximum of 3 days.

7 Certificates of Weight

7.1 Weighing at Loading Port

- (a) The Seller must at its own cost perform a draft survey at the Loading Port to determine the weight of the Product in WMT and promptly provide a corresponding Certificate of Weight to the Buyer.
- (b) The Seller must ensure that the vessel does not take on, release, or switch from one tank or compartment or another, any ballast, fresh water, or fuel during the draft survey.
- (c) If it chooses, the Buyer may have a representative present during the draft survey at its own cost to witness the draft survey.

7.2 Weighing at Discharge Port

- (a) The Buyer must at its own cost arrange for a suitable agent to perform a draft survey at the Discharge Port to determine the weight of the Product in WMT and provide a corresponding Certificate of Weight to the Seller within 60 days of discharge.
- (b) The draft survey must be mutually agreed and endorsed by the Chief Surveyor and the Ship Master. Where a Party failed to present a co-signed draft survey, the Bill of Lading weight will be deemed as the final weight.
- (c) The Buyer's agent must be a licensed, independent, marine surveyor or agency acceptable to the Seller. The Buyer may choose from the following list:
 - (i) CIQ
 - (ii) Schutter
 - (iii) SGS
 - (iv) Inspectorate
 - (v) BIS
- (d) The Buyer must ensure that the vessel does not take on, release, or switch from one tank or compartment or another, any ballast, fresh water, or fuel during the draft survey.
- (e) If it chooses, the Seller may at its own cost appoint a representative to witness the draft survey and/or perform Superintendent Services.

7.3 Calculating the final weight

- (a) If there is a difference in weight between the Seller's and Buyer's Certificates of Weight of $\leq 0.3\%$, the weight listed in the Buyer's Certificate of Weight is determinative.
- (b) If there is a difference in weight between the Seller's and Buyer's Certificates of Weight of $> 0.3\%$, the final weight is the mean average weight of the weights recorded in the two Certificates of Weight.

7.4 No Certificate of Weight at Discharge Port or lost or contaminated Product

Regardless of anything else in this clause:

- (a) if the Buyer fails to provide a Certificate of Weight to the Seller within two calendar months of the Product being completely unloaded at the Discharge Port, the Seller's Certificate of Weight is determinative;
- (b) if any of the Product is lost or contaminated (including by seawater) after loading at the Loading Port, the Seller's Certificate of Weight is determinative.

8 Certificates of Analysis

8.1 Sampling and analysis at Loading Port

- (a) The Seller must analyse a representative sample of the Product at the Loading Port at its own cost and promptly provide a corresponding Certificate of Analysis to the Buyer.
- (b) If it chooses, the Buyer may have a representative present at its own cost to witness the Seller's analysis.

8.2 Sampling and analysis at Discharge Port

- (a) The Buyer must arrange at its own cost for a suitable local agent to take two representative samples of the Product. The Buyer must ensure that its agent:
 - (i) analyses one sample and promptly provides a corresponding Certificate of Analysis to the Seller; and
 - (ii) provides the other sample to the Seller or the Seller's agent for analysis.
- (b) The Buyer's agent must be a licensed, independent, marine surveyor or agency acceptable to the Seller.
- (c) If it chooses, the Seller may at its own cost appoint an agent to witness the Buyer's agent take two representative samples and/or perform Superintendent Services.

8.3 Calculating Fe content

- (a) If there is a difference in Fe content between the Seller's and Buyer's Certificates of Analysis of $\leq 0.3\%$, the Fe content listed in the Buyer's Certificate of Analysis is determinative.
- (b) If there is a difference in Fe content between the Seller's and Buyer's Certificates of Analysis of $> 0.3\%$, the final Fe content is the mean average Fe content recorded in the two Certificates of Analysis.

8.4 Calculating the size and chemical composition (other than Fe)

Subject to clause 11, the size and chemical composition (other than Fe) listed in the Buyer's Certificate of Analysis is determinative.

8.5 Calculating free moisture content

- (a) If there is a difference in free moisture content between the Seller's and Buyer's Certificates of Analysis of $\leq 0.3\%$, the free moisture content listed in the Buyer's Certificate of Analysis is determinative.
- (b) If there is a difference in free moisture content between the Seller's and Buyer's Certificates of Analysis of $> 0.3\%$, the free moisture content is the mean average free moisture content recorded in the two Certificates of Analysis.

8.6 No Certificate of Analysis at Discharge Port or lost or contaminated Product

Regardless of anything else in this clause:

- (a) if the Buyer or its agent fails to provide a Certificate of Analysis to the Seller within two calendar months of the Product being completely unloaded at the Discharge Port, the Certificate of Analysis issued by the Seller is determinative;
- (b) if any of the Product is lost or contaminated (including by seawater) after loading at the Loading Port, the Certificate of Analysis issued by the Seller is determinative.

9 Payment

9.1 Expected Amount Due

The expected price of the Product (**Expected Amount Due**) is calculated by either:

- (a) multiplying the fixed price set out in **schedule 1** by the Quantity in DMT
- (b) Not Used

9.2 Provisional Amount Due

The provisional price of the Product (**Provisional Amount Due**) is calculated by either:

- (a) multiplying the fixed price set out in **schedule 1** by the Quantity in DMT and adjusting in accordance with **schedule 3** for the Fe content specified in the Seller's Certificate of Analysis
- (b) Not Used

9.3 Final Amount Due

The final price of the Product (**Final Amount Due**) is calculated by:

- (a) multiplying the fixed price set out in **schedule 1** by the Quantity in DMT and adjusting in accordance with **schedule 3** for the Fe content calculated in accordance with **clause 8.3**
- (b) Not Used
- (c) amending the amount in accordance with **clause 2.2(c)**;

as applicable for the and MB-F. For the purposes of this **clause 9.3**, DMT is calculated using the free moisture content calculated in accordance with **clause 8.5**.

9.4 Invoicing

The Seller must provide the Buyer with a corresponding invoice for any amount due for the Product under this Agreement.

9.5 Letter of Credit

- (a) No later than 5 Business Days prior to the Loading Port Laycan start date specified in **schedule 1**, the Buyer must open an irrevocable letter of credit for the Expected Amount Due (+/- 15 per cent) with the Seller's bank in a form approved by the Seller. An approved form is included as **schedule 4**.
- (b) The Buyer must arrange the letter of credit through a commercial bank approved by the Seller in advance. (The Seller can provide a current list of pre-approved commercial banks on request.) The Buyer must arrange for its bank to provide the Seller with a copy of the letter of credit by email or other agreed means on the day it is opened.
- (c) The letter of credit must remain open for at least 80 days after the latest date of shipment specified in **schedule 1**.
- (d) Each Party is liable for any of its own bank's charges in relation to the letter of credit.
- (e) If the letter of the credit is not able to cover a potential amount due by the Buyer to the Seller for the Product for any reason during this Agreement, the Buyer must promptly arrange for:
 - (i) the value to be increased;

- (ii) the duration to be increased; and/or
- (iii) any other amendment reasonably necessary;

to ensure that it remains valid security in full for any potential amount due by the Buyer to the Seller for the Product.

- (f) The Buyer indemnifies the Seller for any any loss, liability, or costs caused by a breach of this **clause 9.5** by the Buyer.

9.6 Payment of the Provisional Amount Due

- (a) After the vessel leaves the Loading Port, the Seller may draw on the letter of credit for up to the Provisional Amount Due by presenting its bank with the documents specified in section 46A of **schedule 4**.
- (b) The Seller must also promptly provide copies of these documents to the Buyer after the vessel leaves the Loading Port.

9.7 Not Used

9.8 Payment of the Final Amount Due

- (a) The Buyer must pay the Seller by telegraphic transfer any shortfall between the amounts already paid for the Product and the Final Amount Due within 10 Business Days of receiving a valid invoice from the Seller.
- (b) Alternatively, if there are sufficient funds available, the Seller can draw on the letter of credit to settle the Final Amount Due with the consent of the Buyer, such consent not to be unreasonably withheld, conditioned, or delayed.
- (c) The Parties acknowledge and agree that any payment of the excess amount made by the Seller to the Buyer in accordance with this clause 9.8 will be remitted by 'Roy Hill Holdings Pty Ltd' on behalf of 'Roy Hill Iron Ore Pty Ltd.' 'Roy Hill Iron Ore Pty Ltd' is a wholly owned subsidiary of 'Roy Hill Holdings Pty Ltd'.

9.9 Despatch, demurrage and freight differential

The Parties must calculate any demurrage, despatch or freight differential amounts by no later than 1 calendar month after the vessel has left the final Discharge Port. Any corresponding payments due must be paid within 10 Business Days of receiving a valid invoice from the other Party. The Parties acknowledge and agree that any payment made by the Seller to the Buyer in accordance with this clause 9.9 will be remitted by 'Roy Hill Holdings Pty Ltd' on behalf of 'Roy Hill Iron Ore Pty Ltd.' 'Roy Hill Iron Ore Pty Ltd' is a wholly owned subsidiary of 'Roy Hill Holdings Pty Ltd'.

9.10 Interest

- (a) If the Buyer does not pay the Seller an amount owed when it is due, the Seller may charge the Buyer interest on any outstanding amounts for as long as they remain outstanding past the due date. The Buyer must pay the Seller the interest in addition to any other amounts due.
- (b) The rate of interest the Seller may charge the Buyer is the SOFR on the due date plus 2 per cent per annum, applied pro rata for any amount outstanding for the applicable period.

10 Force majeure

- (a) If a Party is unable to perform one or more obligations under this Agreement because of a Force Majeure Event, then:
 - (i) as soon as reasonably practicable (and in any event, no later than 5 Business Days) after the Force Majeure Event arises, that Party must notify the other Party in writing with details of:
 - (A) the nature of the Force Majeure Event;

- (B) the obligations it cannot perform because of the Force Majeure Event and why; and
 - (C) the anticipated duration of the Force Majeure Event (if known).
- (ii) if a Party complies with **clause 10(a)(i)**, that Party's obligation to perform those obligations are suspended for the duration of the delay arising directly out of the Force Majeure Event; and
 - (iii) in all cases, the Parties must take all commercially reasonable steps to minimise the impact of any Force Majeure Event (which does not include supplying customers on a pro-rata basis).
- (b) Despite any other provision of this Agreement, a Force Majeure Event does not excuse a Party from an obligation to pay an amount due under this Agreement.
 - (c) If a Party is unable to perform an obligation under this Agreement because of a Force Majeure Event that lasts for more than 1 calendar month, either Party may terminate this Agreement by written notice to the other Party.

11 Not Used

12 Dispute resolution

12.1 Informal Resolution

If a dispute arises between the Parties in relation to this Agreement, then the Parties must try to resolve it in good faith on an informal basis before relying on this clause.

12.2 Notice of Dispute

If the Parties cannot resolve a dispute on an informal basis, then either Party may issue a notice of dispute to the other Party. The notice of dispute:

- (a) must clearly explain what is in dispute;
- (b) must clearly explain what remedy the Party seeks and why; and
- (c) may include more than one matter that is in dispute.

12.3 Obligations continue

Despite any dispute, the Parties must continue to perform their obligations under this Agreement in accordance with the terms of this Agreement.

12.4 Formal Meeting

- (a) Within 10 Business Days of receipt of a notice of dispute (or any longer period agreed by the Parties), appropriate representatives of the Parties must meet and attempt to resolve the dispute in good faith. The representatives may meet in person, by telephone or video conference, or any combination of these.
- (b) If the appropriate representatives are unable to resolve the dispute at their meeting, the Party that issued the notice of dispute must, within 1 calendar month of the meeting, refer the dispute for resolution by confidential arbitration. Otherwise, the dispute is treated as resolved.

12.5 Arbitration

- (a) A confidential arbitration under this Agreement must be referred to the Singapore Chamber of Maritime Arbitration (**SCMA**) and conducted in accordance with the SCMA Arbitration Rules in force on the date of this Agreement.
- (b) For disputes of less than \$150,000, the dispute must be resolved by a sole arbitrator in accordance with the Small Claims Procedure set out in rule 46 of the SCMA Arbitration Rules.

- (c) For all other disputes, the dispute must be resolved by 3 arbitrators appointed in accordance with rules 6.3 and 6.4 of the SCMA Arbitration Rules (unless otherwise agreed in writing by the Parties).

12.6 Urgent relief

- (a) All disputes must be resolved in accordance with this **clause 12**; but
- (b) nothing in this **clause 12** prevents a Party from seeking urgent injunctive or declaratory relief from a court or other authority with competent jurisdiction.

13 Termination of the Agreement

13.1 Events of default

This Agreement (other than **clauses 1** and **12** to **17** inclusive) automatically terminates if:

- (a) a Party commits a material breach of this Agreement and:
 - (i) the other Party serves a notice on the breaching Party requiring it to remedy the breach; and
 - (ii) the breach remains unremedied 5 Business Days after the service of the notice (or any longer period as may be specified in the notice); and
 - (iii) the other Party then serves a notice on the breaching Party terminating the Agreement.
- (b) a Party goes into voluntary or involuntary administration, liquidation, or receivership;
- (c) the Parties agree in writing to terminate the Agreement; or
- (d) a Party terminates the Agreement in accordance with **clause 10**.

13.2 Survival

Regardless of how the Agreement is terminated, the termination is without prejudice to:

- (a) any of the Parties' obligations that accrued before the termination and remain unsatisfied (except obligations the subject of a termination in accordance with **clause 10**); and
- (b) any obligations of the Parties which are expressed to continue after termination.

14 Notices

14.1 Notices

Unless otherwise agreed, all communications required under this Agreement must be:

- (a) in writing;
- (b) in English;
- (c) signed by a person duly authorised to send the communication on behalf of the Party (for the purposes of this clause, an email signature of the duly authorised person is sufficient if the communication from them is by email); and
- (d) by registered post, hand delivery, or email.

14.2 Receipt of notices

- (a) Subject to **clause 14.2(b)**, a communication under this Agreement is treated as received by the other Party:
 - (i) by registered post: on the day it is recorded as delivered;
 - (ii) by hand delivery: on the day it is delivered to the other Party's address;
 - (iii) by email: on the day it is sent to the other Party (provided the sender does not receive an automated notification that the email was not delivered).

- (b) A communication under this Agreement will not be treated as received by the other Party on a day that is not a Business Day or after 5pm (WST). In this case, it will be treated as received at 9am the following Business Day.

15 Confidentiality

15.1 General obligation

Each Party must keep the terms of this Agreement and any communications received pursuant to this Agreement confidential, using at least the same level of protocols they use to protect their own confidential information from unauthorised disclosure.

15.2 Permitted disclosures

To the extent reasonably necessary only, a Party may disclose confidential information:

- (a) to any third party with the prior written consent of the other Party;
- (b) to a Related Body Corporate, provided that the disclosing Party is liable for any breach of confidentiality by that Related Body Corporate as if the breach was committed by the disclosing Party;
- (c) if required to do so by an applicable law; or
- (d) to its professional advisers, provided they are also bound by comparable confidentiality obligations.

15.3 Public announcements

A Party must not make a public announcement regarding this Agreement without the prior written consent of the other Party.

15.4 Continuing obligation

This **clause 15** continues to bind a Party even after:

- (a) it ceases to be a Party to this Agreement; and/or
- (b) the Agreement is terminated.

16 Agency

16.1 Appointment of agents

- (a) Subject to **clauses 16.1(b)** and **16.2**, a Party may appoint an agent to perform any of its obligations under this Agreement.
- (b) If a Party appoints an agent under this clause, it must as soon as practicable provide the other Party with written details of the agent and the obligations entrusted to them.

16.2 Parties still liable

The appointment of an agent by a Party under this **clause 16** does not relieve that Party of any of its obligations or responsibilities under this Agreement.

17 No consequential loss

Regardless of anything else to the contrary in this Agreement, neither Party is liable to the other Party for any Consequential Loss.

18 General provisions

18.1 Exclusion of convention

The United Nations Convention on Contracts for the International Sale of Goods (also known as ‘the Vienna Convention’) does not apply to this Agreement.

18.2 Entire agreement

This Agreement contains the entire agreement between the Parties in relation to the sale and purchase of the Product. It supersedes all prior written or oral statements, negotiations, understandings, and agreements in relation to the Product.

18.3 Amendment

This Agreement can only be modified, amended, or supplemented by an agreement in writing duly signed by each Party’s duly authorised representative.

18.4 Governing law

This Agreement is governed by and is to be construed in accordance with the laws applicable in Western Australia.

18.5 Severability

Any part of this Agreement that is unlawful or legally unenforceable is ineffective to the extent of that unlawfulness or unenforceability only. All other parts of the Agreement remain valid and enforceable.

18.6 Electronic signatures

If agreed between the Parties, this Agreement can be executed with electronic signatures.

18.7 Counterparts

This Agreement can be executed in counterparts. The executed counterparts together constitute the Agreement.

18.8 Authorised representatives

A person who executes this Agreement on behalf of a Party represents and warrants that they are duly authorised to do so.

18.9 Further assurances

Each Party must do anything reasonably necessary or desirable (including executing agreements and documents) to give full effect to this Agreement and the transactions contemplated by it.

18.10 No waiver

- (a) Any failure to exercise or any delay in exercising any right, power or remedy under this Agreement is not a waiver.
- (b) A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A waiver is not valid or binding on the Party granting that waiver unless made in writing.

Execution

Executed as an agreement by the duly authorised representatives of the Parties:

Signed for and on behalf of **Seller**:

Signature

Name

Position

Date

Signed for and on behalf of **Buyer**:

Signature

Name

Position

Date

Schedule 1 – Specific Terms

Specific Term	Details		
Date of Agreement	Click or tap to enter a date.		
Agreement No.	RH [0000] [XXX]		
Buyer	[insert Buyer's details]		
Buyer's address	[insert Buyer's address]		
Quantity of Product	MB-F	X	WMT +/-15% at Seller's option
Incoterms	CFR Qingdao		
Discharge Port	Peoples Republic of China		
MB-F Price	USDX/DMT		
Final Unit Price	USDX/58 per DMTU		
Loading Port Laycan	17/03/2022	to	26/03/2022
2 Port Discharge Cost OR part cargo cost	X (to be calculated as per Bill of Lading weight)		
Freight Differential	X (to be calculated as per Bill of Lading weight)		
Latest date of shipment	14 days after the last day of Laycan		
Turn Time	24 hours		
Discharge Rate	30,000 WMT per weather working day, including non-Business Days		
Demurrage Rate	in accordance with the vessel nomination notice under clause 5.2(b)		

Schedule 2 – Special Conditions

This **schedule 2** takes priority over all other parts of the Agreement.

No.	Clause	Amendment
		[insert negotiated amendment to standard terms.]

[Insert additional rows as needed, or mark as "N/A" if no negotiated amendments to standard terms and conditions.]

Schedule 3 – Specifications and price adjustments

1. Roy Hill Medium Blend Fines (MB-F)

Chemical Composition			
Chemical	Target Specification (% weight)	Min/Max Specification (% weight)	Price Adjustment (Reductions to the Final Amount Due)
Iron (Fe)	58.0	57.5	The Final Unit Price (calculated in accordance with schedule 1) for each 1% of Iron below the minimum Specification.
Silica (SiO ₂)	6.5	7.8	US\$0.05 per DMT for each 1% of Silica above the maximum Specification.
Alumina (Al ₂ O ₃)	2.9	3.2	US\$0.05 per DMT for each 1% of Alumina above the maximum Specification.
Sulphur (S)	0.03	0.08	US\$0.05 per DMT for each 0.01% of Sulphur above the maximum Specification.
Phosphorous (P)	0.05	0.08	US\$0.05 per DMT for each 0.01% of Phosphorous above the maximum Specification.

Physical Composition			
Size	Target Specification (mm)	Maximum Specification (% weight)	Price Adjustment (Reductions to the Final Amount Due)
Minimum	0.15	30	US\$0.05 per WMT above the maximum Specification that passes through a 0.15mm square aperture screen.
Maximum	6.3	25	US\$0.05 per WMT above the maximum Specification that does not pass through a 6.3mm square aperture screen.

2. Typical Free Moisture Specifications

Product	Typical Free Moisture Content (% of weight per WMT)
MB-F	9.0

Schedule 4 – Letter of Credit template

Section No.	Term	Details
N/A	Advising Bank:	[insert]
20	Documentary Credit Number:	[insert]
31C	Date of Issue:	Click or tap to enter a date.
31D	Date and Place of Expiry:	Click or tap to enter a date. Australia.
32B	Currency Code, Amount:	US\$ [insert] +/- 15% tolerance
40A	Form of Documentary Credit:	Irrevocable.
41D	Available With...By..	Any bank by negotiation.
42A	Drawee:	[insert]
42C	Drafts at:	Sight.
43P	Partial Shipments:	Not allowed.
43T	Transshipments:	Not allowed.
44A	Loading on Board/Dispatch/Taking in Charge at/from....	Port Hedland Western Australia
44B	For Transportation To:	[insert]
44C	Latest Date of Shipment:	Click or tap to enter a date.
45A	Description of Goods and/or Services:	<p><u>Goods:</u> [insert] WMT of Roy Hill Medium Blend Fines;</p> <p><u>Base Price:</u> Roy Hill Medium Blend Fines: Provisional price = US\$[insert] for each 1% Fe content/DMT.</p> <p><u>Freight Rate (if applicable):</u> Roy Hill Medium Blend Fines: US\$[insert] per WMT</p> <p><u>Country of Origin:</u> Australia.</p> <p><u>Packing:</u> In bulk.</p>
46A	Documents Required:	<p><u>Provisional Payment:</u> The payment of 100% shipment value (Provisional Value)</p>

Section No.	Term	Details
		<p>will be payable against the presentation of Beneficiary's draft at sight accompanied with the following documents, which must be presented within 21 days after loading port bill of lading date, but within the validity of this letter of credit:</p> <p>a full set of bills of lading issued to order, marked 'freight payable' as per charter party and endorsed in blank and notifying 'To Order';</p> <p>one original and two copies of the certificate of origin issued by the Beneficiary;</p> <p>one original and two copies of the certificate of weight issued by the Beneficiary;</p> <p>one original and two copies of the certificate of analysis issued by the Beneficiary;</p> <p>one original and two copies of the Beneficiary's provisional invoice, covering 100% of the Provisional Value.</p> <p><u>Final Invoice Payment:</u></p> <p>If the Final Value is higher than the Provisional Value quoted in the previous drawing under this letter of credit, the excess amount is payable against presentation of the Beneficiary's drafts and the following documents within the validity of this letter of credit:</p> <p>two copies of the signed Final Invoice.</p>
47A	Additional Conditions:	<p>A variation of +/- 15% is allowed on Quantity;</p> <p>A variation of +/- 15% is allowed on Credit;</p> <p>Charter Party bills of lading are acceptable;</p> <p>Insurance to be covered in accordance with applicable Incoterms;</p> <p>Bills of Lading and Certificate of Weight showing multiple discharge ports are acceptable;</p> <p>Deductions or bonus charges for Product quality shown on a Provisional Invoice and Adjustment Invoice are acceptable;</p> <p>Total draft weight showing on the Certificate of Weight differs with other documents is acceptable;</p> <p>Third party as shipper is acceptable;</p> <p>L/C underdrawn due to variance in moisture affecting the unit price and/or DMT in comparison to the assumptions used to calculate the opening L/C value, or due to deductions or bonus charges for the Product quality are acceptable.</p> <p>Price and/or Freight Rate and/or Description of Goods on Final Invoice differing to shown on Provisional invoice acceptable.</p>

Section No.	Term	Details
48	Period For Presentation:	Commercial invoice to be presented within 21 days after the bill of lading date.
50	Applicant:	[insert]
59	Beneficiary:	Roy Hill Iron Ore Pty Ltd (ABN 18 123 722 038) 5 Whitham Road Perth Airport WA 6105 AUSTRALIA
71B	Charges:	All banking charges outside the issuing bank are for the Beneficiary's account.
72	Sender to Receiver Information:	This letter of credit is governed by the Uniform Customs and Practice for Documentary Credits (UCP600) 2007 revision.

Schedule 5 – Not Used

Schedule 6 – Defined Terms and Agreement Construction

1. DEFINED TERMS

In this Agreement, these terms have the following meanings:

Defined Term	Meaning
Agreement	means this document including the schedules.
Business Day	means a day that is not a Saturday, Sunday, or public holiday in Perth, Western Australia.
Certificate of Analysis	means a certificate that details the chemical and physical properties of the Product, including the chemical composition, average size, and free moisture content.
Certificate of Weight	means a certificate that details the weight of the Product.
CFR	means cost and freight shipping in accordance with the Incoterms.
CIF	means cost, insurance, and freight shipping in accordance with the Incoterms.
Consequential Loss	means any loss of: <ul style="list-style-type: none"> (a) profit; (b) revenue; (c) use; (d) goodwill; (e) contract (other than this Agreement); (f) production; or (g) opportunity; but does not include an amount owed under this Agreement.
Demurrage Rate	means the demurrage rate specified in schedule 1 per each 24-hour period (applied pro-rata if less than a 24-hour period).
Discharge Port	means the port or ports that the Product will be shipped to in accordance with schedule 1 .
Discharge Rate	is specified in schedule 1 .
DMT	stands for dry metric tonne.
Expected Amount Due	is defined in clause 9.1 .
Final Amount Due	is defined in clause 9.3 .
Force Majeure Event	means war (declared or undeclared), terrorism, revolution, riot, insurrection, civil

Defined Term	Meaning
	commotion, industrial action, government direction, act of God, pandemic, fire, flood, adverse weather, or any other event or circumstance that is not within the reasonable control of the affected Party.
Incoterms	means the 2020 version of the Incoterms published by the International Chamber of Commerce.
Laycan	means the laycan period specified in schedule 1 .
Laytime	means the laytime period specified in schedule 1 .
SOFR	stands for Secured Overnight Financing Rate. Late payment of the Net Payment Amount shall accrue interest from, and including, the settlement date to the date of payment at the interest rate of 1 month SOFR in effect on the settlement date plus 2% per annum.
Loading Port	means the port of Port Hedland in Western Australia.
MB-F	means iron ore from the Roy Hill mine in the Pilbara region of the State of Western Australia sold as medium blend fines.
Notice of Readiness	means a notice of readiness to load or unload a vessel.
Party	means a party to this Agreement.
Product	means the MB-F bought and sold under this Agreement.
Provisional Amount Due	is defined in clause 9.2 .
Quantity	means the quantity of Product sold by the Seller and bought by the Buyer under this Agreement as set out in schedule 1 .
Related Body Corporate	has the same meaning as it does in the <i>Corporations Act 2001</i> (Cth).
Special Conditions	means the special conditions set out in schedule 2 .
Superintendent Services	means services provided by a suitably qualified, independent, service provider appointed by the Seller to verify the quantity and composition of the Product sold and bought under this Agreement.
Turn Time	means the turn time specified in schedule 1 .
WMT	stands for wet metric tonne.

2. RULES OF CONSTRUCTION

Unless expressed to the contrary, in this Agreement:

- (a) all references to dollars means US\$;

- (b) words in the singular include the plural and vice versa;
- (c) if a word or phrase is defined, its other grammatical forms have the corresponding meaning;
- (d) 'includes' means includes without limitation;
- (e) no rule of construction applies to a clause to the disadvantage of a Party merely because that Party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation, and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns, and persons substituted by novation or amendment;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (iv) a right includes a benefit, remedy, discretion, or power;
- (g) where time is to be calculated by reference to a day or event, that day or the day of the event is excluded;
- (h) headings do not affect the interpretation of this Agreement.