

1- Orders should be addressed to Arseh Aseman Roshan Co. (with form 10 – LOI filled). Contracts can be short term or long term contracts, one-product contracts (SPOT), direct sale contracts, barter, swap, etc., as listed in our website. Other contracts for sale of 50000 metric tons or more of a product or M.O.Q contracts are possible too but are not listed. Orders should contain technical specifications such as type, purity, sulfur content, etc.;

Orders should contain the following points:

- A) Term of the contract with starting and ending date specified (in particular for heavier hydrocarbons)
- B) Safety and transport means in accordance with ICC (FOB, CIF, CFR)
- C) Loading terminal and port of delivery
- D) Manner of payment with emphasis on cash-on-delivery, other conditions related to payment should be included as well
- E) Date of paying the last instalment and settling the account

Note 1: Advance payment/open account/bill of exchange (draft or collection)/documentary credit/letter of credit/telegraphic transfer/bank payment obligation are possible manners of payment adopted and accepted with regard to quantity of purchase and customer's record and reputation.

Note 2: Bill of exchange (draft or collection) can be as sight draft or time draft. In the former customer pays in advance for the transport and custom clearance costs. In the latter the customer is entitled to a 1.5 percent interest for the advance payment of the said costs.

Note 3: Applicable types of LC are Irrevocable LC, Revocable LC, Transferable LC, Untransferable LC, Confirmed LC, Unconfirmed LC, Back to Back LC, Revolving LC, Red Clause LC.

Note 4: Notify your operating bank on the charter party upon opening the LC.

- F) Customer should appoint an inspector or an inspection firm, with inspection dates and intervals set and inspection costs covered by the customer.

Note 5: Customer should request the following inspections/certifications from the inspector or inspection firm: 1- visual/scope, 2- quality, 3- quantity, 4- loading, 5- packing.

G) Customer also should set the type and color of packing (gallon, polybag, plastic or metal barrel, open load, etc.; also the customer should state what currency he/she would use for the payment.

Note 6: Only Iranian Rial is applicable inside the Iran.

Note 7: US Dollar and Euro are other acceptable currencies.

Note 8: Payment should be made no later than 72 hours after the signing of the contract.

Note 9: Customer should deposit to seller's account 10% of the total price of the contract as guarantee for fulfilling his/her obligations.

Note 10: To cover fluctuations of exchange rates and product prices, customer should deposit to seller's account 5% of total price of contract. This amount will be later returned after subtraction of any costs incurred by the seller as a result of said fluctuations.

H) Units should be stated in the order. Acceptable units are: Metric Ton, Short Ton, Long Ton, Kilograms, and Liter.

Note 11: Minimum order quantity of 44000 Metric Tons should be observed.

Note 12: After studying an order, Arseh Aseman Roshan will issue a proforma invoice; and after the proforma invoice is confirmed by the customer, a contract will be drafted in the presence of customer's authorized representative and signed.

2- Products shall be delivered to ports and terminals in the country specified by the customer, based on distance and availability of storage facilities and refinery capacity, also based on the availability of duty-free zones and oil terminals.

3- Customers should also pay the value added tax of the purchased products in accordance with the related announcements by Arseh Aseman Roshan.

4- Delivery of the products shall take between 15 and 60 work days for domestic customers. For foreign customers the time taken by custom clearance and legal formalities as well as that taken by long distance transport by sea, air or land should be added to this. In case a specific type of packaging is requested by customer the time taken for packaging is also added to the stated time.

5- Foreign customers or investors who require that a specific freight ship is used for the sea transport of the products should submit the following information to Arseh Aseman Roshan:

- A) Ship's name, its Gross Register Tonnage and Net Register Tonnage, Its Dead Weight Tonnage.
- B) Ship's type (tanker, full container carrier, charter ship, liner).
- C) Freight firm's agent name (for obtaining the ship's docking permission).
- D) Certified copies of the following forwarder documents:
 - 1- Ship's general declaration
 - 2- Cargo declaration
 - 3- Dangerous goods manifest
 - 4- Crew list
 - 5- Passenger list
 - 6- Cargo plan and stowage plan
 - 7- Ship's stores declaration
 - 8- Marine declaration of health
 - 9- Last loading port leaving permit

Note 13: all these documents should be sent/submitted to our company by forwarder.

6- Requests for changing of grade or packaging should be submitted to Arseh Aseman Roshan as formal letters signed by the customer. Minimum premium charged for "bulk to package" is 35 US Dollars. The same premium applies for changing the manner of the ICC purchase.

7- Domestic customers should present their company's utilization permit before purchasing our products. Otherwise the business department of the ordering company would be contacted for coordinating a transaction; and they can use our sale facilities for exporting goods if they so desire.

8- After a contract is signed, customer should deposit a minimum of 30% of the price of contract to our company's account so that production and shipping of the ordered products could be launched. The remainder should be deposited within 48 hours of the initial deposit. Any discounts would be based on the quantity bought and would be announced to the customer during that time through email or automation.

Note 14: Depositing the price should be done through banks or certified money exchange firms.

Note 15: bank draft should be deposited to our bank account through Swift, Swift Code can be controlled by referring to a website with the name “Swift Code”.

Note 16: Our Company offers special discounts for high-tonnage purchases and special services and permanent discounts for loyal customers.

9- Customers should pay value added tax (and any other related tax and toll enacted and announced by the government) to the account of Arseh Aseman Roshan, and submit the identifiable receipt to our agents in Iran or in the destination country.

10- In EXW sales, if the customer wishes to use standard transportation, he/she should pay on-account for transportation, and submit the related receipt which should bear customer's name and the indication that it is about transportation cost payment.

Note 17: Transportation subcontractor should, based on the bill of lading, pay the insurance tax (which ranges from 3% to 16.67%) to the account of Arseh Aseman Roshan. After obtaining the related letter of satisfaction, the surplus would be returned to the customer.

11- Customer shall be responsible for operations related to storage and depot of the products.

Clause 1- If the parties agree on ICC regulated delivery, customer shall be responsible for receiving the goods, whether in whole or in part.

Clause 2-If the parties agree on EXW-ICC regulated delivery, customer would receive the goods at factory gate, and all the next related actions would be customer's responsibility.

12- Arseh Aseman Roshan would deliver the purchased products at the refinery gate or petrochemical or industrial complex gate as soon as it is technically possible. In case the customer is not ready or willing to receive the products on the date announced for delivery by our company, a storage fee of 3% to 10% of the price of the product left with us would be charged and any resulting damages would be a responsibility of the customer.

Note 18: Customer should receive the entire shipment during the term specified for reception, otherwise a proportion equal to the left over proportion of the product shall be subtracted from the security fund and deposited to our company's account.

13- Customers who are legal persons should submit their company's identification number (allocated since 23/10/2009, as per the bylaw of companies' identification numbers) to Arseh Aseman Roshan. Our company would not be responsible for issues related to bank drafts and money transfer of customers whose subscription code is blocked by Consumers Protection Agency of Ministry of Industries.

14- Following documents are required to open a "customer's file" and obtain a subscription code with Arseh Aseman Roshan:

A) Original and copy of utilization permit; could be submitted directly to our main office or agents or scans could be sent through email.

B) Original and copy of "operation announcement" confirmed by the related provincial bureau of industries and mines, with processing capacities for each raw material or product explicitly stated in the announcement; could be submitted directly to our main office or agents or scans could be sent through email.

C) Copies of establishment announcement of the company as well as announcements of changes in the company; printed and published via Official Gazette of the I.R.I; could be submitted directly to our main office or agents or scans could be sent through email.

D) Original and copy of Company's National ID and its Economic Code Certificate; could be submitted directly to our main office or agents or scans could be sent through email.

E) Copies of ID Cards and BCs of managing director and members of board of directors of domestic companies and color copies of passports and operation licenses/powers of attorney of representatives of foreign companies; also special forms must be filled and submitted at our company's main office or its subsidiaries. Customers should fill incorporation applications, with their company's status verified by their country's chamber of commerce and signatures and seals verified by the embassy or consulate of I.R.I in their respective country.

Note 19: All submitted documents shall be scrutinized by Arseh Aseman Roshan for authenticity.

Note 20: Foreign companies' status should be verified by their country's chamber of commerce and signatures and seals verified by the embassy or consulate of I.R.I in their respective country. Domestic companies should notarize their documents whenever they bear unverified seals and signatures before submitting them.

F) Originals and copies of first page of articles of association should be submitted as well.

G) Customers code request form (form No.1) should be filled and submitted at our main office or subsidiaries or filled via electronic file, with scans sent electronically and the original form sent to our postal address.

H) Notarized samples of signatures of customer company's managing director and other holders of signature rights should be provided by the customer or its representatives; other documents may be needed to be notarized as well before they are submitted to our main office or representatives in Iran or abroad. If customer's certificates issued by Iranian Ministry of Mines and Industries have expired they should refer to their province's bureau of industries and obtain operation certificates.

E) After a customers' file is completed, a contract is signed. Contracts should provide for INCOTERMS 2000 requirements. Accordingly, the following groups can be distinguished:

Group 1: DDP, DAP, DAT, CIP, CPT, FCA, EXW

Group 2: CIP, CFR, FOB, FAS

Contracts may provide for INCOTERMS 2010 requirements instead.

Note 21: Our company bears no responsibility for loading the ship during the lay days and products are to be loaded on the freight ship only at lay time. In case the freight ship fails to reach the terminal during lay days or isn't there to be loaded at the assigned time the related purchase contract would be considered void.

Note 22: Based on the type of transaction, customer may have to pay surcharge in some instances (FIO, FILO).

F) For cases where custom clearance takes more than 5 days, storage fees are paid by the customer (the respite may be extended to 10 days). Fees are different for 20 feet and 40 feet containers.

Porting fee, loading and unloading fee, crane fee, custom duty, container lease cost, municipal tax, Red Crescent contribution, insurance premium, services fee, carriage and carriage operator fee, nomenclature fee, etc. are among custom clearance costs which should be covered by the customer.

15- Commission fee as well as value added tax should be separately deposited by the customer to our company's account, with each deposit receipt being titled accordingly.

16- Customers should carefully choose their product and its specifications; issued drafts are final and irreversible and handover of products to customers at the refinery or petrochemical complexes is formally and irreversibly requested.

17- Customer should provide to our company in-part or in-whole receipts of purchased products.

A) In-part receipt: After receiving each container, customer or its representative should sign and seal the CMR (or TFT).

B) In-whole receipts: After receiving the entire products at the refinery exit or petrochemical complex, customer should issue four copies of receipt bearing its seal; with the number of the related purchase contract stated in the receipt. Copies are one for our company's accounting department, one for the respective subcontractor, one for the refinery/petrochemical complex, and one for the customer's own archives.

Note 23: Customer should present to us its domestic and/or international seal of confirmation of receiving products through a formal letter.

18- Foreign or domestic companies can register their purchases either directly or indirectly (through representatives/agents).

19- Identity of foreign customers should be verified and confirmed by consulate of I.R.I in their respective countries after they refer to us (in one of the manners stated in 17) and before they can continue with their purchase.

20- If a customer retracts on a signed contract and unilaterally terminates it before it is executed, 10% of total price of the contract shall be held by our company as damage for termination of contract.

21- Contracts signed between our company and our customers are bilateral contracts and they entail no rights for third parties whatsoever.

22- Downturn of prices between the signing and execution of a contract shall have no effects on a contract already signed.

23- Discounts depend on tonnage and type of project involved and should be negotiated in person at specific times pre-assigned to such negotiations.

24- Requests by foreign companies for receiving samples of products should be in written form and should be sent via email, fax or automation.

Note 24: Postage and freight costs are paid by the customer.

25- Foreign customers should pay the price of the products bought in U.S Dollars or in Euros; exchange rates shall be those of the foreign exchange free market of I.R.I as announced by Bank Mellat.

26- Customers can have their choice of type and extent of insurance coverage. Policies include import, export and transit coverage and conform to the standard adopted by London Insurers Association. Insurance levels are those of A, B, and C clauses and policy premiums, franchises and other special conditions depend on type of freight, type of product, packaging, entrance or departure port, and even the expected weather conditions during the transport.

27- Transit taxes and tolls should be paid by the customer, the freight company, and/or the insurance firm involved. Our company shall have no responsibility in this regard whatsoever.

28- Foreign customers who intend to have an appointment for signing purchase contracts should give our company 48 hour notice so that we would be able to provide for free accommodation and commutation.

Note 25: Customer or its representative/agent can use free accommodation for 72 hours.

29- Swap contracts for crude oil or natural gas or petroleum derivatives can be signed with merchants of countries of Caspian region. Swap will be done via Nekka Terminal and those interested should include in their requests specifications of the products and intended term and duration and volume of the swap.

A brief review of swap routes:

- Northern route: Kazakhstan and Azerbaijan oil and gas is transferred across the Black Sea. This route is backed by Russia.
- Southern route: Energy carriers of three countries are taken to Persian Gulf ports for export. This route is backed by Iran.
- Western route: Oil and gas of three Caspian region Countries is transferred across Georgia and Turkey and via the Black Sea to Europe. This route is backed by Turkey, the U.S, Azerbaijan and Georgia.

- Southeastern route: Iranian oil and gas is transferred across Sea of Oman to ports in Pakistan and India. This route is backed by Afghanistan and Pakistan.
- Eastern route: Oil and gas of Kazakhstan and Turkmenistan is transferred via this route to China. This route is backed by China.
- Iranian Southern route or Kazakhstan-Turkmenistan-Iran route.