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پیوست : دارد



جمهوری اسلامی ایران  
وزارت امور خارجه



۸۵۵۷۴۲۰۰

فوری

بسمه تعالی

جناب آقای جعفری

معاون محترم امور معادن و فرآوری مواد وزارت صنعت، معدن و تجارت

جناب آقای روشن بخش قنبری

معاون محترم ارتقاء کسب و کارهای بین المللی سازمان توسعه تجارت ایران

موضوع: مناقصه تامین ذغال سنگ برای نیروگاه در سریلانکا

با سلام و احترام؛

نامه شماره ۲۸۶۰۸۴۶ مورخ ۲۰ / ۱ / ۱۴۰۵ سفارت جمهوری اسلامی ایران در کلمبو درباره فراخوان مناقصه تامین ۲,۲۸ تن ذغال سنگ برای نیروگاه Lakvijaya Coal Power Plant سریلانکا برای دوره زمانی سپتامبر ۲۰۲۶ لغایت آوریل ۲۰۲۷ منضم به جزئیات مربوط به شرایط فنی، الزامات کیفی و نحوه اجرای تعهدات، به پیوست برای آگاهی و دستور اقدام بایسته ارسال می گردد. لازم به ذکر است مهلت زمانی ارائه پیشنهادها برای شرکت در مناقصه تا ۲۴ اردیبهشت ۱۴۰۵ می باشد.

مجید صمدزاده صابر  
مدیرکل دفتر دیپلماسی اقتصادی مقاومتی

رونوشت :

- جناب آقای سمیعی نژاد معاون محترم وزیر و رئیس هیأت عامل سازمان توسعه و نوسازی معادن و صنایع معدنی ایران ایמידرو
- جناب آقای مجتهدزاده رئیس محترم انجمن ذغال سنگ ایران
- جناب آقای عسگری معاون محترم امور بین الملل اتاق بازرگانی، صنایع، معادن و کشاورزی ایران
- جناب آقای عباس حلاج معاون محترم امور بین الملل و توسعه تجارت اتاق بازرگانی، صنایع، معادن و کشاورزی تهران
- جناب آقای بهرامن رئیس محترم انجمن خانه معدن ایران ✓



جمهوری اسلامی ایران  
وزارت امور خارجه



۸۵۷۱۰۹۰۰

شماره : ۱۲۴۱/۲۸۶۰۸۴۶

تاریخ : ۱۴۰۵/۰۱/۲۰

زمان : ۸:۱۵:۲۱

پیوست : دارد

بسمه تعالی

جناب آقای صمدزاده صابر

مدیرکل محترم دفتر دیپلماسی اقتصاد مقاومتی

موضوع: مناقصه تامین ذغال سنگ برای نیروگاه در سریلانکا

با سلام،

احتراماً، به آگاهی می‌رساند در پی انتشار اخباری در مطبوعات سریلانکا در خصوص فراخوان مناقصه تأمین ذغال سنگ برای نیروگاه Lakvijaya Coal Power Plant، شرکت Lanka Coal Company اقدام به دعوت از شرکت‌های واجد شرایط جهت تأمین حدود ۲,۲۸ میلیون تن ذغال سنگ برای دوره زمانی سپتامبر ۲۰۲۶ لغایت آوریل ۲۰۲۷ نموده است.

بر اساس اطلاعات منتشره، مهلت ارائه پیشنهادهای تا تاریخ ۲۴ اردیبهشت ۱۴۰۵ (۱۴ مه ۲۰۲۶) تعیین گردیده و جزئیات مربوط به شرایط فنی، الزامات کیفی و نحوه اجرای تعهدات نیز در اسناد مناقصه درج شده است. دسترسی به اسناد و اطلاعات تکمیلی مناقصه از طریق پایگاه اینترنتی رسمی شرکت مزبور به نشانی <https://lankacoal.lk/tenders.html> امکان پذیر می‌باشد.

شایان ذکر است، تا این تاریخ، یادداشت رسمی مربوط به این مناقصه از سوی وزارت امور خارجه سریلانکا به این سفارت واصل نگردیده است. بدیهی است به محض دریافت مراتب، اطلاعات تکمیلی متعاقباً ارسال خواهد شد. به پیوست، اخبار منتشره در رسانه‌های سریلانکا به همراه منضمات مرتبط با مناقصه، جهت ملاحظه و بهره‌برداری ایفاد می‌گردد.

علیرضا دلخوش

سفیر جمهوری اسلامی ایران در کلمبو



## MINISTRY OF ENERGY

### INVITATION FOR BIDS – LCC/26/TP/1

#### SUPPLY OF COAL FOR LAKVIJAYA POWER PLANT (TERM PROCUREMENT)

#### Supply of Coal 2.28 Million +/-10% MT

Lanka Coal Company (Private) Limited (LCC), on behalf of the Chairman of the Standing High Level Procurement Committee (SHLPC) of the Ministry of Energy, hereby invites sealed bids from eligible and qualified coal suppliers for the supply of coal to the 3x300 MW Lakvijaya Power Plant, Sri Lanka.

Lanka Coal Company (Private) Limited, incorporated in January 2008, is mandated to procure coal for coal-fired power plants in Sri Lanka. Its shareholders include the Electricity Generation Lanka (Private) Limited (EGL), General Treasury, Sri Lanka Ports Authority, and Ceylon Shipping Corporation Limited.

**1. Scope of Supply:**

Approx. 2.28 million  $\pm$ 10% MT of coal on CFR (Trimmed) basis during the contract period. Coal unloading shall be from September 2026 to May 2027.

**2. Eligibility:**

Bidders shall be eligible coal suppliers meeting the qualification requirements specified in the Procurement Document.

**3. Bidding Process:**

Bidding will be conducted through a single stage two envelope process.

**4. Bid Document Fee:**

A non-refundable fee of LKR 500,000/- (Rupees Five Hundred Thousand Only) shall be deposited to the account below and the deposit slip submitted to obtain the Procurement Document.

**Bank Details (LKR Account):**

Account Name: Lanka Coal Company (Private) Limited  
Account No: 004 1001 30000745  
Bank: People's Bank - Corporate Banking Division  
Address: No. 91, Sir Chittampalam A. Gardiner Mawatha, ACHC Building,  
Colombo 02, Sri Lanka.  
SWIFT: PSBKLKX

**5. Issuance of Procurement Documents**

Procurement Documents will be issued from 02<sup>nd</sup> April 2026 onwards during office hours at the following address:

Procurement Manager  
Lanka Coal Company (Private) Limited,  
No. 51/3, Suranimala Place,  
Off Dutugemunu Street,  
Kohuwala / Dehiwala 10350,  
Sri Lanka.

**6. Bid Submission and Closing**

Bids shall be submitted on or before 10:00 hrs (Sri Lanka Time) on 14<sup>th</sup> May 2026.

Bids will be opened immediately thereafter, and bidders or their authorized representatives may attend the bid opening.

**7. (i) Bid Validity**

Bids shall remain valid until 5<sup>th</sup> November 2026.

**(ii) Bid Security**

Each Bid shall be accompanied by a Bid Security to the value of USD 2,280,000 (United States Dollars Two Million Two Hundred Eighty Thousand Only) or LKR 700,000,000.00 (Sri Lanka Rupees Seven Hundred Million Only)

The Bid Security shall remain valid until 31<sup>st</sup> December 2026

**8. Pre-Bid Meeting**

14:00 hrs on 23<sup>rd</sup> April 2026 at the premises of Lanka Coal Company (Private) Limited.

**9. Award of Contract:**

Awarding of the contract shall be as set out below,

(i) The substantially responsive lowest bidder shall be awarded a minimum of 50% of the coal requirement, with the possibility of increasing this quantity if necessary.

(ii) The second lowest responsive bidder shall be given an opportunity to match the price of the lowest bidder to be awarded the remaining 50%. In the event of disagreement, the process shall continue with the next lowest responsive bidders for awarding the balance quantity.

**10. Applicable Law:**

Provisions in public contract Act, No. 03 of 1987 shall be applicable for this procurement.

**11. Further Information:**

Procurement Manager - LCC  
Tel: +94 11 2824681/2 | +94 77 7875219  
Fax: +94 11 2824689  
Email: sujantha.pm@lankacoal.lk

Chairman,  
Standing High Level Procurement Committee (SHLPC),  
C/O Lanka Coal Company (Pvt) Ltd,  
Ministry of Energy.

**LANKACOAL**  
COMPANY (PVT) LTD

ادرس سايت مناقصه

<https://lankacoal.lk/tenders.html>

## اخبار مناقصه ذغال سنگ

### **Tender called for 2.28 mn. MT coal procurement**

April 7, 2026

Lanka Coal (Pvt) Ltd. has called for tenders to procure 2.28 million MT of coal for the period from September 2026 – April 2027.

Accordingly, bids have been invited to select a supplier for the 2026/2027 season of the Lakvijaya Coal Power Plant in Norochcholai.

The tender notice has been published on the official website of the Lanka Coal Company, specifying the procurement of 2.28 million MT of coal for the relevant period.

The deadline for submission of bids has been set for May 14, with eligibility criteria and application requirements also outlined in the tender documentation.

<https://srilankamirror.com/biz/tender-called-for-2-28-mn-mt-coal-procurement/>

### **Tender called for coal supply to Lakvijaya Power Plant**

April 6, 2026 01:51 pm

A tender has been called to select a coal supplier for the 2026/2027 season of the Norochcholai Lakvijaya Power Plant.

The Lanka Coal Company stated that the tender has been issued to purchase 2.28 million metric tons of coal for the period from September 2026 to April 2027.

The invitation for bids to select a supplier for the 2026/2027 season of the Norochcholai Lakvijaya Coal Power Plant has now been published on the Lanka Coal Company's website.

It further states that the tender has been issued to procure 2.28 million metric tons of coal for the period from September 2026 to April 2027.

Bids will be accepted until May 14, and the requirements that applicants must fulfill have also been specified.

Accordingly, coal must be supplied under 38 shipments, with 20 shipments in 2026 and 18 shipments in 2027. All deliveries must be completed within 210 days, as stated in the conditions.

The Lanka Coal Company has also outlined, through the relevant tender, the quality standards of the coal to be supplied, as well as the responsibilities and performance expectations of the bidding companies.

<https://www.adaderana.lk/news.php?nid=120786>

### **Tender called for coal supply to Lakvijaya Power Plant**

• 6 ඉංග්‍රීසි 2026 ඉ ඉංග්‍රීසි ඉංග්‍රීසි

The Lanka Coal Company has called a tender to select a coal supplier for the Norochcholai Lakvijaya Power Plant for the 2026/2027 season.

It stated that 2.28 million metric tons of coal will be procured from September 2026 to April 2027.

Bids have been invited through the company's website and will be accepted until May 14.

The tender requires 38 shipments, with 20 in 2026 and 18 in 2027.

All deliveries must be completed within 210 days, as specified in the tender conditions.

<https://www.themorning.lk/articles/ETOzt1KkZlMSdgdQ1mix>

### **Tender called for coal supply to Lakvijaya power plant for 2026/2027 season**

The Lanka Coal Company has called tenders to procure 2.28 million metric tons of coal for the Norochcholai Lakvijaya Power Plant for the 2026/2027 season, covering the period from September 2026 ඉ ඉංග්‍රීසි 2027.

The invitation for bids has been published on the Lanka Coal Company's website, with submissions accepted until May 14.

Under the terms of the tender, coal must be delivered across 38 shipments (20 in 2026 and 18 in 2027), ඉංග්‍රීසි ඉංග්‍රීසි ඉංග්‍රීසි ඉංග්‍රීසි ඉංග්‍රීසි 210 ඉංග්‍රීසි.

The tender also sets out the quality standards the coal must meet, along with the responsibilities and performance expectations that bidding companies will be required to fulfil.

<https://lankaleader.lk/news/18958-tender-called-for-coal-supply-to-lakvijaya-power-plant-for-2026-2027-ඉංග්‍රීසි>

### **Tender issued for Norochcholai coal supply**

• 7 ඉංග්‍රීසි 2026

A coal supplier for the 2026 to 2027 season of the Lakvijaya Power Plant in Norochcholai will be selected through a newly called tender.

The Lanka Coal Company stated that the procurement involves 2.28 million metric tonnes (MT) of coal for the period spanning September 2026 to April 2027. Bids are being accepted until 14 May, with the invitation and specific applicant requirements published on the company's official website.

The supply must be delivered across 38 shipments, consisting of 20 shipments in 2026 and 18 shipments in 2027. All deliveries require completion within a 210-day window. The tender documents further define the necessary quality standards, company responsibilities, and performance expectations for all bidders.

<https://hirunews.lk/en/458255/tender-issued-for-norochcholai-coal-supply>



# MINISTRY OF ENERGY

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Approx. 2.28 million  $\pm$ 10% MT of coal on CFR (Trimmed) basis during the contract period. Coal unloading shall be from September 2026 to May 2027.

**2. Eligibility:**

Bidders shall be eligible coal suppliers meeting the qualification requirements specified in the Procurement Document.

**3. Bidding Process:**

Bidding will be conducted through a single stage two envelope process.

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Provisions in public contract Act, No. 03 of 1987 shall be applicable for this procurement.

**11. Further Information:**

Procurement Manager - LCC  
Tel: +94 11 2824681/2 | +94 77 7875219  
Fax: +94 11 2824689  
Email: sujantha.pm@lankacoal.lk

**Chairman,  
Standing High Level Procurement Committee (SHLPC),  
C/O Lanka Coal Company (Pvt) Ltd,  
Ministry of Energy.**

**LANKACOAL**  
COMPANY(PVT)LTD

**STANDARD PROCUREMENT DOCUMENT  
(Single Stage – Two Envelope Procurement Process)  
REQUEST FOR BIDS**

**TERM PROCUREMENT**

**SUPPLY OF 2.28 MILLION MT  $\pm$ 10 % OF COAL FOR  
LAKVIJAYA POWER PLANT  
ELECTRICITY GENERATION LANKA (PVT) LTD**



**FOR THE PERIOD OF  
SEPTEMBER 2026 – MAY 2027**



**LANKA COAL COMPANY (PRIVATE) LIMITED**

**51/3, SURANIMALA PLACE, OFF-DUTUGEMUNU STREET,  
KOHUWALA/DEHIWALA, SRI LANKA.**

**Tel: +94-11-2824681 / +94-11-2824682**

**Fax: +94-11-2824689**

**Term Procurement (TP) No: LCC/26/TP/1**

**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
- SECTION 3 - CONDITIONS OF CONTRACT**
- SECTION 4 - COAL SUPPLY AGREEMENT**
- SECTION 5 - SCHEDULES**
- SECTION 6 - FORMS - ANNEXURES**
- SECTION 7 - DEFINITIONS**

INFORMATION COPY

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# Request for Bids

(Single Stage – Two Envelope Bidding Process)

## PROCUREMENT OF 2.28 MILLION MT $\pm 10$ % OF COAL TO LAKVIJAYA POWER PLANT

**Procurement No:** LCC/26/TP/1

**Buyer:** *Lanka Coal Company (Pvt.) Ltd*

**Country:** *Sri Lanka*

**Issued on:** *02.04.2026*

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<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page ix of 172</p>
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<p><i>LCC/26/TP/1- Term Procurement (TP)</i> <i>Document for Supply of Coal for Lakvijaya</i> <i>Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page x of 172</p>
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<b>SECTION 1</b>	<b>-</b>	<b>INVITATION FOR BIDS</b>
<b>SECTION 2</b>	<b>-</b>	<b>INSTRUCTIONS TO BIDDERS</b>
<b>SECTION 3</b>	<b>-</b>	<b>CONDITIONS OF CONTRACT</b>
<b>SECTION 4</b>	<b>-</b>	<b>COAL SUPPLY AGREEMENT</b>
<b>SECTION 5</b>	<b>-</b>	<b>SCHEDULES</b>
<b>SECTION 6</b>	<b>-</b>	<b>FORMS - ANNEXURES</b>
<b>SECTION 7</b>	<b>-</b>	<b>DEFINITIONS</b>

INFORMATION COPY

# 1. INVITATION FOR BIDS

**DATE OF ISSUE** : 02/04/2026  
**PROCUREMENT NUMBER** : LCC/26/TP/1

## 1.1 INVITATION

This Invitation is issued by Lanka Coal Company (Private) Limited (hereinafter referred to as “LCC”) on behalf of the Standing High Level Procurement Committee (hereinafter referred to as “SHLPC”) of the Ministry of Energy.

The Chairman of the SHLPC hereby invites all eligible coal suppliers to submit Bids for the supply of coal to the 3 × 300 MW Lakvijaya Coal Power Plant (the “Plant”).

Bids will be invited through public advertisement and/or direct communication to prospective suppliers. The Procurement Document may be issued electronically; however, where applicable, the original Procurement Document may be collected, up to one (01) day prior to bid closing date specified in the BDS, by an authorized representative from the LCC office at the address specified in Clause 1.4, upon prior notification to LCC.

Bids shall be prepared and submitted in accordance with the requirements set out in this Procurement Document. Any submission not complying with the prescribed format and requirements may be rejected.

LCC, on behalf of the Standing High Level Procurement Committee (SHLPC), reserves the right to accept or reject any Bid, and to annul the bidding process and reject all Bids at any time prior to award of contract, without thereby incurring any liability to the affected Bidders or any obligation to inform the affected Bidders of the grounds for such action.

## 1.2 INTRODUCTION

LCC is the authorized agency for supply of coal for 3x300MW Lakvijaya Coal Power Plant located in the west coast of Sri Lanka. LCC was incorporated in January 2008 for the procurement of coal to meet full requirement of coal for all coal-fired power stations in the Country. LCC is a fully Government owned company. Shares of the Company are held by the Electricity Generation Lanka (Private) Limited (EGL), Ministry of Finance, Sri Lanka Ports Authority and Ceylon Shipping Corporation Ltd.

<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 1 of 168</p>
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### 1.3 PROCUREMENT DOCUMENT

In addition to this Invitation for Bids, please find enclosed the Procurement Document: Section 2 - Instruction to Bidders (ITB), Section 3 - Conditions of Contract, Section 4 - Proposed Coal Supply Agreement, Section 5 - Schedules, Section 6 Annexures and Section 7 - Definitions.

### 1.4 SUBMISSION OF BIDS

Sealed Bids shall be submitted by hand or sent by courier to:

**The Chairman**  
**Standing High Level Procurement Committee (SHLPC)**  
**C/O Lanka Coal Company (Private) Limited (LCC)**  
**51/3, Suranimala Place,**  
**Off-Dutugemunu Street**  
**Kohuwala/Dehiwala, 10350,**  
**Sri Lanka.**

### 1.5 LATE BIDS

Bids received after the deadline for submission of bids stipulated in ITB Clause 2.11.3 will be returned unopened to the bidder.

### 1.6 BID SECURITY

Each Bid shall be accompanied by a Bid Security to the value and period of validity in the Bid Data Sheet (BDS), as detailed in BDS of Section 2 of Part II.

### 1.7 BID OPENING

Bids will be opened in the presence of the bidders or their duly authorized representatives, at the time, date, and address specified in the Bid Data Sheet (BDS), as detailed in Section 2 of Part II.

### 1.8 BIDDING PROCEDURE

A single stage, two envelopes, bidding procedure will be adopted. Bidding Procedure applicable to this invitation is given in Section 2, Instructions to Bidders (ITB).

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**End of Section 1**

**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
- SECTION 3 - CONDITIONS OF CONTRACT**
- SECTION 4 - COAL SUPPLY AGREEMENT**
- SECTION 5 - SCHEDULES**
- SECTION 6 - FORMS - ANNEXURES**
- SECTION 7 - DEFINITIONS**

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## 2. INSTRUCTIONS TO BIDDERS (ITB)

### PART I

#### 2.1. SCOPE OF BID

This Invitation for Bids (IFB) is issued for the procurement and delivery of coal for the upcoming season, as specified in the Bid Data Sheet (BDS). The scope of this bidding process includes the supply, loading, transportation, and delivery of coal in accordance with the technical specifications, quality requirements, and delivery schedule set out in this Procurement Document.

Bids are invited from **all eligible coal suppliers** who meet the qualification requirements specified in Clause 2.14 (Evaluation and Qualification Criteria).

The entire procurement process, including bid submission, opening, evaluation, recommendation, award, and contract execution, shall be conducted in accordance with the provisions of this Procurement Document and applicable procurement guidelines.

#### 2.2. SOURCE OF FUNDS

LCC will utilize funds allocated by EGL which is a body incorporated under Act No. 36 of 2024 by Parliament of Sri Lanka, for eligible payments under the coal supply contract. Provisions of Public Contract Act No.3 of 1987 shall be applicable for this procurement

#### 2.3. FRAUD AND CORRUPTION

The attention of all bidders is drawn to the following provisions of the 2024 Procurement Guidelines issued by the **National Procurement Commission of Sri Lanka**, which must be strictly adhered to throughout the procurement process:

- All parties associated with procurement actions, including suppliers, contractors, and officials, must maintain strict confidentiality at every stage of the procurement process.
- Officials involved in procurement shall not receive or solicit any personal gain. No gifts, benefits, or inducements shall be accepted under any circumstances.
- Suppliers or contractors will be disqualified from the bidding process if found offering any gift, favor, or inducement that could influence a decision or compromise the objectivity and impartiality of procurement officials.

The Buyer requires that all bidders, suppliers, contractors, and consultants observe the highest standards of ethics during the procurement and execution of contracts. In pursuit of this policy, the following practices are strictly prohibited:

<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 5 of 172</p>
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(a) **Corrupt Practice:** Offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence the actions of an official involved in the procurement process or contract execution.

(b) **Fraudulent Practice:** Any misrepresentation or omission of material facts intended to influence the procurement process or the performance of a contract.

(c) **Collusive Practice:** Any agreement or arrangement between two or more bidders, with or without the knowledge of the Buyer, designed to establish bid prices at artificial, non-competitive levels, thereby undermining fair competition.

(d) **Coercive Practice:** Directly or indirectly threatening or harming individuals or their property in order to improperly influence their participation in the procurement process or the performance of a contract.

As stipulated in Clause ITB 2.12.3 the Buyer reserves the right to reject any bid if it determines that the bidder, either directly or through an agent, has engaged in corrupt, fraudulent, collusive, or coercive practices in connection with the procurement process for this contract.

## 2.4. QUANTITY

This bid is to select one (01) or more coal supplier/s for the EGL’s Lakvijaya Coal Power Plant of 3X300 MW. Quantity to be supplied and the details of supply are as per the Bid Data Sheet (BDS).

## 2.5. PAYMENT TERMS

Payment shall be made either by telegraphic transfer or through an irrevocable, unconfirmed Documentary Letter of Credit (either at sight or with 90 days usance), which will be opened exclusively through the **Bank of Ceylon**, Sri Lanka, as further detailed in Clause 3.6.1 of the Conditions of Contract. All banking charges incurred outside Sri Lanka, if any, shall be borne by the Seller.

## 2.6. QUALITY

LCC’s Standard Values for Coal and the Minimum and Maximum Quality Limits applicable to coal supplied to the Plant are set out in Section 05 under Clauses 5.1 and 5.2 of this Document.

The LCC Standard Values specified in Clause 5.1 are provided solely for the purpose of enabling all Bidders to quote for coal of a uniform reference quality for price comparison. Bidders are not restricted to supplying coal strictly conforming to the LCC Standard Values and may supply coal within the quality ranges permitted under this Contract.

<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 6 of 172</p>
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Coal supplied with quality parameter within the minimum and maximum ranges specified in clause 5.2 shall be accepted by the Buyer at an adjusted price in accordance with clause 5.5.

The Coal, with quality parameters outside the “LCC Minimum and Maximum Quality Limits for Coal” shall be liable for rejection by LCC. More details on this can be found in Section 03 under clause 3.4.3 of this Document.

**2.7. DELIVERY SCHEDULE**

The Seller shall bear full responsibility for the loading of coal at the designated port of origin. This includes all associated arrangements, costs, and strict compliance with applicable port, safety, and export regulations.

Upon arrival at the Puttalam Anchorage Port, the coal shall be discharged from the mother vessels onto self-propelled barges using the vessel’s cranes. The unloading operation at the anchorage shall be carried out by the Buyer on a Free in and Free Out basis, it means the Seller shall bear all costs related to loading at the point of origin, while the Buyer shall bear the costs associated with unloading at the discharge point (Puttalam anchorage).

Subsequent lightering and barge transportation of coal from the Puttalam anchorage to the jetty of the Lakvijaya Power Plant, located approximately 4 Nautical Miles (NM) away from the jetty, will be undertaken exclusively by the Ceylon Shipping Corporation (CSC). The Seller shall maintain close coordination with Lanka Coal Company (LCC) and CSC to ensure uninterrupted and efficient coal transfer operations from the anchorage to the power plant.

It is anticipated that about 38 vessels, each with a parcel size of 60,000 MT ±10%, will be unloaded at the Puttalam Anchorage over a period of 210 days (coal season). Vessel scheduling shall be managed to maintain an interval of 4 to 5 days between arrivals, ensuring smooth operations without causing delays and interference to preceding or subsequent vessels.

**Use of Alternative Loading Port/s**

It is mandatory to indicate alternative loading port/s under Annexure 4, Item 1 (ii) and Annexure 5 of Section 6

The Bidder shall indicate only one Main Port and up to a maximum of three (3) named alternative ports in the “Technical and Commercial Proposal – Annexure 04. Alternative ports shall be applicable only if the respective country or port lockdown situation arises due to pandemic situation, force majeure, geo political situation or any other unforeseen situation acceptable to LCC.

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The Bidder shall not indicate under alternative ports “any safe world port” thereby indicating lack of prior alternate sourcing/loading arrangements.

In the event of alternative port needs to be selected due to extenuating circumstances set out above, then the supplier has to notify LCC within 72 hours of such occurrence. Such notification has to be supported by acceptable proof documents.

In the event supply of coal is affected by external issue/s over which both seller and buyer, has no control, then alternative port/s shall be used to continue uninterrupted coal supply in consultation and agreement with the buyer.

However, if any other further unforeseen situation arises over which both seller and buyer, has no control, thereby effecting the supply the supply of coal from all three (3) of the indicated alternative ports, then based on the request of the supplier, LCC shall consider loading from any other additional port. Such notification has to be supported by acceptable proof documents.

**a) On FOB (Trimmed) Basis**

In the event the award is made on FOB basis, then freight contract will be awarded to Ceylon Shipping Corporation (CSC) as per the clause 2.13.4 (a), accordingly, laycan schedule of loading ports/anchorages and according to the Scheduled Time of Arrival (ETA) of Port of Puttalam for LCC’s Coal Requirement will be finalized with selected bidder for the relevant season from the relevant Load Port. It is the responsibility of the supplier to do the loading and trimming of the coal as per the buyer’s option. Supplier is liable for the demurrages at the port of loading as described in clause 5.9.11

Supplier shall liaise with LCC & CSC in respect of confirmation of laycans and nomination of ships and shall responsible for additional costs or delays involved due to any changes made by the supplier of the load port laycans after the both parties’ confirmation.

In consultation with the Supplier, shipments of Coal will be scheduled by LCC over the duration of contract period by considering the restriction at Port of Puttalam as given in item d) below.

Delivery of coal shall be carried out as set out in 2.7.1.

**b) On CFR basis**

In the event the award is made on CFR basis as per the clause 2.13.4 (b), Bidder should adhere with the vessels arrival schedule of the Puttalam (discharge) Anchorage given in item d) below.

Delivery of coal shall be carried out as set out in 2.7.1.

*Note: Same conditions are in the above item a) shall prevail.*

<p>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 8 of 172</p>
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**c) Arrival/departure formalities**

Arrival/departure formalities at the port of Puttalam shall be carried out during the working hours of the day (between 06:00 hrs to 16:00 hrs local time).

Details on Shipping Terms are specified in clauses 5.7, 5.8, and 5.9.

**d) Vessels Arrival Schedule at Puttalam Anchorage for the contract period 2026-2027 as below.**

Provision shall be made to allow changes to this schedule on mutual understanding between both parties, based on LCC requirement (acceleration or delay). This will be notified to the supplier two weeks prior to the first day of nomination of each vessel.

**Vessel Arrival schedule for Supply of Coal for Season 2026-2027**

Month	Estimated No of Shipments to be reached at Puttalam Anchorage
<b>2026</b>	
September	04
October	05
November	05
December	06
<b>Sub Total</b>	<b>20</b>
<b>2027</b>	
January	06
February	05
March	06
April	01
<b>Sub Total</b>	<b>18</b>
<b>Total</b>	<b>38</b>

**Note**

- A shipment shall be 60,000 MT +/- 10% or larger geared vessels at buyer's option*
- Vessels Schedules will be advanced or delayed based on the coal requirement of the LCC.*
- Detailed tentative Vessel arrival schedule at Puttalam Anchorage (POD) is as given as a Supplement to the Bid Data Sheet (BDS).*

**e) Compliance with Vessel Arrival Schedule at Puttalam Anchorage**

The LCC will be notified the vessel arrival schedule at Puttalam anchorage with the awarding of the contract. In the event of awarding the contract on CFR basis, the supplier shall be responsible for ensuring the arrival of the ships as per the given vessel arrival schedule of the Puttalam Anchorage. In case of any deviations of agreed vessel arrival schedule the supplier is not eligible to claim any demurrage for the ongoing and waiting

vessels. However, the final decision of the such claim on unavoidable circumstances will be at the sole discretion of the LCC.

**f) Vessel Spacing and Bunching Liability**

The Seller shall maintain a minimum interval of four (4) days and a maximum of five (5) days between successive vessels arriving at the Discharge Port.

For the purposes of this Clause, the interval shall be calculated from the time of tender of valid Notice of Readiness (NOR) of the preceding vessel to the time of tender of valid NOR of the succeeding vessel.

Any failure by the Seller to comply with this vessel spacing requirement shall:

- (i) constitute a material breach of this Agreement;
- (ii) be deemed to cause Bunching and Discharge Delay for the purposes of Clause 5.8.5; and
- (iii) automatically trigger Seller liability for all resulting demurrage, detention, despatch imbalance, waiting time, or related time-based costs.

All such amounts shall be calculated strictly in accordance with Clause 5.7.4.3 and recovered pursuant to Clause 5.8.5.

**2.7.1. Vessel Scheduling and Discharge Port Operational Requirements (for CFR and FOB basis as applicable)**

In consultation with the Seller, shipments of Coal will be scheduled by LCC over the duration of contract period by considering the restriction at Port of Puttalam as below.

- i. When nominating performing vessels at the load port, the Seller and the Ceylon Shipping Corporation (CSC) shall make every reasonable effort to maintain a gap of four (4) to five (5) days between each vessel. This is to avoid unnecessary delays and demurrage at the discharge port and to ensure that vessels arrive at the discharging anchorage in a timely and orderly manner.
- ii. The minimum unloading rate shall be 10,000 MT per weather working day (PWWD).
- iii. In the event a vessel is not available within the agreed Laycan, any demurrage or additional costs incurred, including but not limited to index changes, taxes, or other related charges, shall be for the account of the Ceylon Shipping Corporation (CSC). If the cargo is not available at the time the Notice of Readiness (NOR) is tendered at the loading port, any demurrage or losses arising therefrom shall be for the Seller’s account.
- iv. In the event the vessel does not maintain the agreed vessel arrival schedule at the Puttalam Anchorage, and vessel bunching occurs as a result, any demurrage incurred shall be for the account of CSC or the Seller, depending on the party

responsible for the deviation from the agreed schedule, in accordance with Clause 2.7(f).

**2.8. COST OF BIDDING**

The Bidder shall bear all costs associated with the preparation and submission of its Bid and LCC will not be responsible or liable for these costs, regardless of the conduct or outcome of the Bidding process. By participating in the bidding, each Bidder agrees and acknowledges that in no event shall it be entitled to make a claim of any kind against LCC or LCC's employees, or consultants arising out of, relating to, or in any way connected with the Bidder's bid or LCC's consideration thereof.

**2.9. THE PROCUREMENT DOCUMENT**

**2.9.1. List of Procurement Document**

The Procurement Document include:

- ❖ SECTION 1, INVITATION FOR BIDS
- ❖ SECTION 2, INSTRUCTIONS TO BIDDERS
- ❖ SECTION 3, CONDITIONS OF CONTRACT
- ❖ SECTION 4, PROPOSED COAL SUPPLY AGREEMENT
- ❖ SECTION 5, SCHEDULES
- ❖ SECTION 6, FORMS - ANNEXURES 1 TO 12
- ❖ SECTION 7, DEFINITIONS

The Bidder is expected to examine the entire Procurement Document. Failure to furnish all information required by the Procurement document or submission of a Bid not substantially responsive to the Procurement Document will be at the Bidder's risk and may result in rejection of Bid.

**2.9.2. Clarification of Procurement Document and Pre-Bid Meeting**

A prospective bidder requiring any clarification of the Procurement Document may notify LCC in writing or electronically by email to LCC's address indicated in the BDS or raise his inquiries during the pre-bid meeting, if provided for in accordance with item BDS – Part II in Section 2. LCC shall respond in writing to any request for clarification, provided that such request is received within the time period specified in the BDS and sufficiently prior to the deadline for submission of Bids to enable LCC to issue a timely response. The Buyer shall forward copies of its response to all eligible suppliers who have been invited for Bidding, including a description of the inquiry but without identifying its source.

**2.9.3. Amendment of Procurement Document**

At any time prior to the deadline for submission of Bids, LCC may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, amend the Procurement Document by issuing an Addendum. Notice of any amendments will be made available in writing and electronically by email to all prospective bidders who have purchased a Procurement Document for Bidding, and will be binding on them. Bidders are required to acknowledge receipt of addendum using the Addendum Receipt provided in ANNEXURE 6 of Section 6 for any such amendment. It will be assumed that the information contained therein will have been taken into account by the Bidder in their Bid.

In order to allow prospective bidders a reasonable time to take the amendment into account in preparing their Bid, LCC may at its discretion, extend the deadline for the submission of Bids to provide a sufficient time period from the date of last amendment, if required.

**2.10. PREPARATION OF BID**

**2.10.1. Language of Bid**

The Bid prepared by the Bidder and all correspondence and documents related to the Bid exchanged by the Bidder and LCC, shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in another language so long as accompanied by an English translation. For purposes of interpretation of the Bid, the English translation shall govern. Any document submitted in another language without accompanying English translation shall not be considered for the evaluation of the bid.

**2.10.2. Confidentiality of Bidding**

The prices in the Bidder's PRICE PROPOSAL must be determined independently, without consultation, communication, or agreement with any other Bidder or potential Bidders.

The prices that have been quoted in the Bidder's PRICE PROPOSAL must not and will not knowingly be disclosed by the Bidder directly or indirectly, to any other Bidder or potential Bidder prior to the time of Bids are due. Bidder warrants that no attempt has been made, directly or indirectly, to induce any other persons or firms to submit or not to submit a Bid for the purpose of restricting competition.

The Bidder shall not disclose the Procurement Document to any third party who is not directly related with the preparation of the Bid proposal.

### 2.10.3. Documents to be Submitted by the Bidders

When submitting a Bid in accordance with Clause 2.11, the Bidder shall submit the following documents in the format and manner prescribed. All pages of the Bid shall be initialed by the person or persons signing the Bid.

#### (a) Technical Proposal (Envelope 1)

The Technical Proposal shall include the following documents:

- (i) Bid Data Sheet (BDS) – duly signed;
- (ii) Form of Bid (Annexure 1) duly completed and signed;
- (iii) Bid Security (Annexure 2) in accordance with Clause 2.10.7;
- (iv) Power of Attorney (Annexure 3), duly executed and authenticated;
- (v) Technical and Commercial Proposal (Annexure 4);
- (vi) Addenda Receipt (Annexure 6) in accordance with Clause 2.9.3;
- (vii) Conditions of Contract (Section 3) duly signed;
- (viii) Proposed Coal Supply Agreement (Section 4) duly signed;
- (ix) Coal Supplier’s Certification - Compliance with Coal Specifications (Annexure 7);
- (x) Non-Collusion Affidavit (Annexure 8) duly signed;
- (xi) PCA-3 Form in accordance with Clause 2.13.7;

*Please note that PCA-3 form is a prescribed form under the Public Contracts Act No.3 of 1987, which specifies the persons to be required to register with the Registrar of Public Contracts.*

*This act is available for your reference at <https://www.gov.lk/index.php>*

- (xii) Draft Notification of Award (Annexure 9) duly signed;
- (xiii) List of ISO/IEC 17025 Accredited Laboratories (Annexure 10);
- (xiv) All mandatory qualification documents required under Clause 2.14 (Annexure 11);
- (xv) Checklist (Annexure 12).

#### (b) Financial Proposal (Envelope 2)

The Financial Proposal shall include only the following document:

- (i) Price Proposal (Annexure 5) duly completed and signed in accordance with Clause 2.10.5.

No price information shall be included in the Technical Proposal. Any Bid containing price information in the Technical Proposal shall be rejected.

All documents required to be submitted shall be in English Language. In case of translation of any document in the English Language is submitted, such translation shall be certified by a competent translator/sworn translator and shall submitted together with the original version of the respective document.

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**2.10.4. Bid and Price Proposal**

The Bidder shall complete the Form of Bid (Annexure 1 of Section 6) and the Price Proposal (Annexure 5 of Section 6) in the manner and with the details specified therein, in accordance with Clause 2.10.5 and Clause 2.10.6.

The Technical Proposal (Envelope 1) shall include the Form of Bid and all documents listed under Clause 2.10.3, including documentary evidence demonstrating compliance with Clause 2.14 (Evaluation and Qualification Criteria).

The Financial Proposal (Envelope 2) shall include only the Price Proposal (Annexure 5 of Section 6).

**2.10.5. Bid Price**

Bidders shall be required to quote prices for each item as per the price proposal in USD per metric ton (MT) of coal, following the format provided in the Price Proposal – Annexure 5 of Section 6, **by considering the LCC Standard Value for Coal in Clause 5.1, Price Variation for FOB and Freight component outlined in Clause 5.4, and Quality Price Adjustments described in Clause 5.5.**

In the price proposal, the bidder shall quote the base price for both **CFR (FOB and Freight)** and the **CFR 90-day under credit facility (FOB and Freight) per MT at the Puttalam Anchorage**. The bidder shall quote on the CFR Price, CFR price 90 days credit or both. If any bidder fails to fill either item 1 or 2 in the price proposal, it will be considered that the bidder is not offering that option.

The financial evaluation will be based on the **CFR (Puttalam Anchorage) price** and 90 days Credit price quoted for the **LCC Standard Values** of coal. However, **price adjustments related to coal quality will not** be considered during the evaluation of bids.

The prices quoted by bidders in **Annexure 5 of Section 6** shall be deemed as the **final offered prices** and will be used for the **award of contract**, in accordance with **Clause 2.13**.

The offers for alternative specifications for coal with different quality standards shall not be considered for further evaluation and shall be rejected. LCC minimum and maximum quality values for Coal are given in clause 5.2.

**2.10.6. Bid Currency**

Bidder’s PRICE PROPOSAL shall be made only in United States Dollars (USD). PRICE PROPOSALS made in other currencies will be rejected.

**2.10.6.1. Contract Currency**

The Contract Price shall be fixed and expressed in USD.

**2.10.6.2. Currency of Payment**

Payment under the Contract shall be made in USD.

However, upon written request of the successful Bidder (Seller), the Buyer may, at its discretion and subject to applicable laws and financing arrangements, consider effecting payment in Sri Lankan Rupees (LKR) or another freely convertible currency.

**2.10.6.3. Exchange Rate and Currency Risk Disclosure**

Where payment in a currency other than USD is approved, conversion from USD shall be made at the official exchange rate published by the Central Bank of Sri Lanka prevailing on the actual date of payment.

Bidders are deemed to have taken full account of foreign exchange risks in preparing their Bids. No adjustment of the Contract Price shall be permitted due to currency fluctuations.

**2.10.7. Bid Security**

All Bids must be accompanied by a Bid Security in the amount and currency and validity as specified in the Bid Data Sheet (BDS). The Bid Security, in the form provided in ANNEXURE 2 of Section 6, shall be a Bank Guarantee issued by

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

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

Unsuccessful Bidder's Bid Security will be discharged/returned as promptly as possible following provision of performance security by the successful Bidder. The successful Bidder's Bid Security will be discharged upon the signing the Coal Supply Agreement, pursuant to Clause 2.13.7 and fulfilling the Conditions of Contract.

The Bid Security may be forfeited:

- (a) If a Bidder:
  - i) Withdraws its Bid during the period of Bid Validity specified in Clause 2.10.8; or
  - ii) Refuses to accept the arithmetical correction made according to Clause 2.12.4
  - iii) Found at fault as per the REMEDY FOR FALSE STATEMENT (Section 6 Annexure 04 in item 05)
  - iv) is found to have submitted any false or fraudulent document
  - v) is found to have made any false statement in the Bid Document
  - vi) is in breach of utmost good faith

or

- (b) In case of a successful Bidder, if the Bidder fails:
  - (i) To sign the Contract in accordance with Clause 2.13.7; or
  - (ii) To furnish Performance Security in accordance with Clause 2.13.8.

**2.10.8. Validity of Bids**

Bids shall remain valid for a period as specified in BDS- Part II, Section 2. A Bid valid for a shorter period shall be rejected as non-responsive.

In exceptional circumstances, LCC may solicit Bidder's consent to an extension of the period of validity of their Bids. The request and responses thereto shall be made in writing or by email. If a Bidder accepts to prolong the period of validity, the Bid Security shall also be extended accordingly. A Bidder may refuse the request without forfeiting its Bid Security. Any Bidder accepting the request will not be required nor permitted to modify its Bid.

**2.10.9. Format and Signing of Bid**

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

The original and all copies of the Bid, each consisting of the documents listed in Clause 2.10.3 above, shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder.

This authorization shall be in the form of a written power of attorney, in accordance with Annexure 3 of Section 6, and shall be submitted with the Bid as Annexure 3.

**The person or persons signing the Bid shall initial or sign all pages of the Bid as required.**

The Bid shall not contain any interlineations, erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person or persons signing the Bid.

## 2.11. SUBMISSION OF BIDS

### 2.11.1. Submission, Sealing and Marking of Bids

Each Bid shall comprise two separate sealed envelopes, namely:

- (a) Envelope 1 – Technical Proposal; and
- (b) Envelope 2 – Financial Proposal.

**Envelope 1** -shall contain one (1) Original and one (1) Copy of the Technical Proposal, clearly marked as “Original” and “Copy”.

**Envelope 2** -shall contain one (1) Original and one (1) Copy of the Financial Proposal, clearly marked as “Original” and “Copy”.

**Each envelope shall be sealed separately and clearly marked as “Technical Proposal” or “Financial Proposal”, as applicable.**

Both Envelope 1 and Envelope 2 shall be enclosed together in a single outer envelope.

The outer envelope and each inner envelope shall:

- i. be addressed to:

Chairman,  
The Standing High Level Procurement Committee (SHLPC)  
C/o Lanka Coal Company (Private) Limited (LCC)  
51/3, Suranimala Place, Off Dutugemunu Street  
Kohuwala / Dehiwala 10350  
Sri Lanka.

- ii. bear the Procurement Name, Procurement Number, and the words: **“DO NOT OPEN BEFORE [Time] HOURS ON [Date]”** in accordance with the BDS and Clause 2.11.2; and
- iii. indicate the name and address of the Bidder to enable the Bid to be returned unopened if declared late.

The Financial Proposal (Envelope 2) shall not contain any technical or qualification information. The Technical Proposal (Envelope 1) shall not contain any price information. Any Bid containing price information in the Technical Proposal shall be rejected.

In the event that the envelopes are not sealed and marked as specified above, LCC shall assume no responsibility for the misplacement, loss, or premature opening of the Bid.

### 2.11.2. Deadline for Submission of Bids

- (a) Bids shall be submitted on or before the deadline for submission of bids as specified in the BDS.

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(b) SHLPC may at its discretion extend this deadline for submission of Bids by amending the Procurement Documents in accordance with Clause 2.9.3 in which case all rights and obligations of LCC and Bidders previously subject to deadline will thereafter be subject to the deadline as extended.

**2.11.3. Late Bids**

Any Bid received by LCC after the deadline for submission of Bids, as specified in Bid Data Sheet and as may be amended pursuant to Clause 2.11.2, shall be declared late, rejected and returned unopened to the Bidder.

**2.11.4. Modification and Withdrawal of Bids**

The Bidder may modify or withdraw their Bid after submission, provided that written notice of the modification or withdrawal is received by SHLPC prior to the deadline prescribed for submission of Bids.

The Bidder's modifications shall be prepared, sealed, marked and dispatched as follows:

- a) The Bidders shall provide an Original and a Copy, of any modifications to its Bid, clearly identified as such, in two inner envelopes, duly marking the envelopes as "Bid Modifications - Original" and "Bid Modifications - Copy". The inner envelopes shall be sealed in an outer envelope, duly marking the envelope as "Bid Modifications".
- b) Other provisions concerning the marking and dispatch of Bid modifications shall be in accordance with Clause 2.11.1.

A Bidder wishing to withdraw its Bid shall notify SHLPC in writing prior to the deadline prescribed for the submission of Bids.

The notice of withdrawal shall:

- (a) be addressed to SHLPC at the address specified in the Bid Data Sheet;  
and
- (b) clearly bear the Procurement Name, the Procurement Number, and the words **“Bid Withdrawal Notice.”**

Any Bid Withdrawal Notice received after the deadline for submission of Bids shall be disregarded, and the submitted Bid shall be deemed to have been validly submitted.

No Bid may be withdrawn during the period between the deadline for submission of Bids and the expiration of the Bid validity period specified in Clause 2.10.8. Withdrawal of a Bid during this period shall result in forfeiture of the Bid Security in accordance with Clause 2.10.7.

## 2.12. BID OPENING AND EVALUATION

### 2.12.1. Opening of Bids

The Bid Opening Committee shall open the Bids at the time and location specified in the Bid Data Sheet.

At the bid opening, the outer envelope containing the Technical Proposal (Envelope 1) and the Financial Proposal (Envelope 2) will be opened.

Thereafter, only the **Technical Proposals (Envelope 1)** shall be opened. The **Financial Proposals (Envelope 2)** shall remain sealed and shall be securely kept unopened until the completion of the evaluation of the Technical Proposals.

Bidder’s representatives may attend the bid opening, and those present shall sign a register as evidence of their attendance.

At the opening of the Technical Proposals, the following details shall be announced and recorded:

- Name of the Bidder;
- Confirmation of submission of Technical Proposal;
- Presence of required documents, including Bid Security (if applicable); and
- Any other details considered appropriate by the Bid Opening Committee.

No price information shall be announced or disclosed at this stage.

Following the evaluation of the Technical Proposals, only those Bidders whose Bids are determined to be substantially responsive and qualified shall be notified of the date, time, and location for the opening of the Financial Proposals.

At the opening of the Financial Proposals, the following details shall be announced and recorded:

- Name of the Bidder;
- Bid Price and any discounts offered; and
- Any other relevant details.

Opening of the financial proposal shall be confined only to the substantially responsive bidders and that shall be done in their presence; and

Financial proposal of the bidders who is technical proposals are not responsive shall be returned unopened, after the award of the contract.

The Bidder’s representatives present at the respective bid opening shall be requested to sign the record prepared by the Bid Opening Committee.

No alternative offers shall be accepted.

**2.12.2. Clarification of Bids**

To assist in the examination, evaluation, and comparison of Bids, LCC may, at its discretion and at any stage of the evaluation process, request any Bidder to provide clarification of its Bid.

The request for clarification and the Bidder’s response shall be made in writing. Such clarification shall be limited to explaining or confirming information already contained in the Bid and shall not permit any change to the Bid Price, scope, substance, or other material terms and conditions of the Bid.

No Bidder shall be permitted to correct material omissions, submit additional information that would alter the competitiveness of the Bid, or otherwise modify its Bid through the clarification process.

**2.12.3. Evaluation of Bids**

**2.12.3.1. Technical Evaluation**

SHLPC shall determine whether each Bid is complete and substantially responsive to the requirements of the Procurement Document.

At the initial stage, this determination shall be carried out based on the Technical Proposal (Envelope 1) only. SHLPC shall examine, inter alia:

- whether the Bid has been properly submitted in accordance with Clause 2.11;
- whether the required Bid Security has been furnished in accordance with Clause 2.10.7;
- whether the documents have been properly signed;
- whether the Bid complies with the technical specifications of coal as set out in Clause 5.1; and
- whether the Bidder meets the qualification requirements specified in Clause 2.14.

A Bid determined as not substantially responsive shall be rejected by SHLPC and may not subsequently be made responsive by the Bidder by correction of the nonconformity.

SHLPC may waive any minor informality or nonconformity in a Bid which does not constitute a material deviation, provided that such waiver does not prejudice or affect the relative ranking of any Bidder.

Only Bids determined to be substantially responsive and meeting the qualification criteria shall be considered for further evaluation and for opening of the Financial Proposals.

A Bid may be disqualified and excluded from further consideration for any valid reason including, but not limited to, the following:

- (i) Failure to submit the Bid in the required envelope structure in accordance with Clause 2.11;
- (ii) Failure to submit the Price Proposal in accordance with Clause 2.10.5;
- (iii) Bids submitted after the Closing Time and Date specified in Clause 2.11;
- (iv) Failure to submit all required documents, including supporting documents listed in Clause 2.10.3, or failure to provide clarifications within the specified time;
- (v) Failure to provide the Bid Security in accordance with Clause 2.10.7;
- (vi) Willful misrepresentation in the Bid;
- (vii) Engaging in corrupt, fraudulent, collusive, or coercive practices, or attempting to improperly influence the Government of Sri Lanka, LCC, EGL, the Bid Evaluation Committee, or SHLPC;
- (viii) Material deviations in accordance with Clause 2.12.5;
- (ix) Conditional Bids.

**2.12.3.2. Financial Evaluation**

Financial evaluation shall be carried out only for Bidders whose Technical Proposals have been determined to be substantially responsive and who meet the qualification requirements specified in Clause 2.14.

The Financial Proposals shall be evaluated based on:

- (a) **CFR price per metric ton (MT) at Puttalam Anchorage;** and
- (b) **90-day credit CFR price per metric ton (MT) at Puttalam Anchorage.**

Bids shall be evaluated separately under each of the above pricing options.

Under each pricing option, the bidder offering the lowest evaluated price shall be identified and ranked as No. 1, and the other bidders’ proposals shall be ranked in order of merit as No. 2, No. 3, and so on.

The contract shall be awarded, as set out in Clause 2.13.2, to the Bidder whose offer is determined to be the most economically advantageous, taking into account the lowest evaluated price under either of the above pricing options, and thereafter the process shall proceed in accordance with the same Clause 2.13.2.

**2.12.4. Correction of Arithmetical Errors:**

The quantities should be same as that stated in the Procurement document. The total bid price should be the total of the breakdown of the components (FOB and Freight). If there is a discrepancy, a correction has to be done and the corrected price as describe below is considered as the bid price.

The correction of arithmetical errors shall be done as follows:

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- (i) where there is a discrepancy between the amounts in figures and in words, the amount in words will prevail;
- (ii) where there is a discrepancy between the unit rate and the breakdown of the components (CFR and Credit facility) total resulting from adding the unit rates, the unit rate as quoted will prevail, unless in the opinion of the PE that there is an obviously gross mis-placement of the decimal point in the unit rate, in which case the line item total as quoted will prevail and the unit rate will be corrected;
- (iii) If the bid price changes by the above procedure, the amount stated in the Form of Bid shall be adjusted with the concurrence of the bidder and shall be considered as binding upon the bidder.

After the correction of arithmetical errors, Procurement entity (PE) shall notify in writing to each bidder of the detailed changes. A bidder shall agree for such arithmetical corrections made to his bid. If the bidder refuses to accept such arithmetical corrections, its bid shall be rejected and its bid security may be forfeited.

The Bids will be evaluated and compared on the basis of CFR (Puttalam Anchorage) as given in the price proposal submitted as Annexure 5 of Section 6.

**2.12.5. Major Deviations**

The following events, the list of which is not exhaustive, shall be considered as material deviations and shall result in rejection of the Bid:

- (a) Failure to submit a Bid Security in accordance with Clause 2.10.7, including submission of an invalid, insufficient, or non-compliant Bid Security, or failure to provide the required validity period of the Bid;
- (b) Unsigned Bid or a Bid signed by a person not duly authorized;
- (c) Failure to submit the Bid in accordance with the requirements of Clause 2.10.3 and Section 6 (Forms), including omission of mandatory forms or required supporting documentation;
- (d) Inclusion of price information in the Technical Proposal (Envelope 1) or failure to submit the Price Proposal in the Financial Proposal (Envelope 2) in accordance with Clause 2.11;
- (e) Conditional Bids or Bids containing qualifications, reservations, deviations, exceptions, or disclaimers that materially affect the scope, quality, or performance of the Contract;
- (f) Any deviation from the technical specifications or commercial requirements of a critical nature;

- (g) Proposals for price adjustment or price fluctuation where the Procurement Document does not permit the same;
- (h) Failure to demonstrate compliance with the qualification requirements specified in Clause 2.14;
- (i) Willful misrepresentation or submission of false or misleading information;
- (j) Failure to submit the Non-Collusion Affidavit as required;
- (k) Any other deviation or non-conformity which materially affects the substance of the Bid or would prejudice the fair competition among Bidders.

**2.12.6. Contractual and Commercial Alternatives**

Bidders shall base their Bid price on the contractual and commercial conditions specified in this Bid Document. The Bids will be evaluated on the basis of this price. If Bidders wish to make reasonable deviations from the stated contractual and commercial conditions including alternative terms of payment, they shall specifically indicate the deviation to the stated terms and conditions in sub clause 04. of ANNEXURE 4 in Section 6. No alternative price offers or Conditional Bids, will be accepted.

**2.12.7. Contacts with LCC**

Subject to Clause 2.12.2, no Bidder shall contact LCC or any other person or organization involved in the bidding process on any matter relating to its Bid, from the time of the opening of Bids until the award of the Contract.

Any attempt by a Bidder, directly or indirectly, to influence LCC, the Standing High Level Procurement Committee (SHLPC), the Bid Evaluation Committee, or any official of the Government of Sri Lanka in the evaluation, comparison of Bids, or Contract award decisions shall result in rejection of the Bid and may lead to further action in accordance with applicable laws and procurement regulations.

**2.13. AWARD OF CONTRACT**

**2.13.1. Acceptability -Buyer’s Rights to Accept any Bids and to Reject any or all Bids.**

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

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**2.13.2. Award Criteria to Successful Bidder**

Awarding of the contract shall be as set out below, based on the directive issued by the National Procurement commission vide their letter ref NPC/PP/03/CD-34/2026 dated 23.03.2026

- (i) The substantially responsive lowest bidder shall be awarded a minimum of 50% of the coal requirement, with the possibility of increasing this quantity if necessary.
- (ii) The second lowest responsive bidder shall be given a chance to match the price of the lowest to award the remaining 50%; if there is a disagreement, the process shall continue with the next lowest responsive bidders to award the balance 50%.

**2.13.3. Intimation to Unsuccessful Bidders and Appeal Criteria**

The Secretary, Ministry of Energy will inform the unsuccessful bidders in writing, within one week of being informed the recommendations of SHLPC, to make their representations (if any) against the recommendations of the SHLPC / intention to award the contract to the successful Bidder, to the Procurement Appeal Board.

**2.13.4. Criteria for Awarding of Freight Component**

Ceylon Shipping Corporation Ltd. (CSC) will be given three (03) working days after SHLPC approval to match the successful Bidder’s Freight component.

- a) In the event that Ceylon Shipping Corporation Ltd. is able to match the above, then the award shall be made to the successful Bidder based on FOB Trimmed (Port of Loading) basis.
- b) In the event that Ceylon Shipping Corporation Ltd. is unable to match the above then the award shall be made to the successful Bidder based on CFR basis up to the Puttalam Anchorage.

**2.13.5. Notification of Award**

The Buyer shall transmit the Letter of Award to the successful Bidder. The Letter of Award shall be issued as per the format given in the Annexure 9.

Until a formal Contract is prepared and executed, the Letter of Award shall constitute a binding Contract between the Parties.

**2.13.6. Debriefing by The Buyer**

Upon receipt of the Buyer’s Notification of Intention to Award referred to in ITB 2.13.3 an unsuccessful Bidder shall have three (3) Working Days to submit a written request to the Buyer for a debriefing. The Buyer shall provide a debriefing to any unsuccessful Bidder whose request is received within this deadline.

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Any requests for debriefing received after the expiration of the three (3) Working Day deadline shall not entitle the Bidder to any extension of the standstill period.

Debriefings may be conducted either in writing or verbally, at the discretion of the Buyer. The Bidder shall bear its own costs associated with attending or participating in such debriefing.

**2.13.7. Signing of the Contract**

Following the determination of the successful Bidder in accordance with Clause 2.13.2, and prior to the expiration of the Bid validity period, LCC will notify the successful Bidder by issuing a Letter of Award pursuant to clause 2.13.5, either by registered mail or electronically via email, confirming that their Bid has been accepted.

Until the formal Coal Supply Agreement is executed, the Letter of Award shall constitute a binding contract. The Bidder shall ensure that the Bid Security remains valid until the Performance Bond is submitted.

Promptly upon notification, LCC shall send the successful Bidder the duly completed proposed Coal Supply Agreement as provided in Section 4 of the Procurement Document.

Upon receipt of the Letter of Award and the proposed Coal Supply Agreement, the successful Bidder shall execute the Agreement with LCC. The date and venue for signing the Agreement shall be mutually agreed by the Parties within fourteen (14) days following the submission of the Performance Security, as stipulated in Clause 2.13.8.

The successful bidder shall submit the PCA3 Form as specified in 2.10.3

*Note: LCC will update the relevant procurement information to the “Registrar of Companies” (ROC) website along with the list of prospective bidders, which will then notify the bidders of the reference number via their designated email address. The bidder can then obtain the PCA 3 form after paying the relevant fee to the ROC.*

**2.13.8. Performance Security**

Within fourteen (14) days of receipt of the Letter of Award, the successful Bidder shall furnish the Performance Security in the form of an irrevocable Bank Guarantee in the amount specified in the Bid Data Sheet.

A specimen form of the Performance Security is provided in Section 5, Clause 5.10.

The Performance Security shall be issued by:

- i. a bank operating in Sri Lanka and approved by the Central Bank of Sri Lanka;

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- or
- ii. a bank located in another country, provided that the Performance Security issued by such bank is confirmed by a bank operating in Sri Lanka which is duly licensed and approved by the Central Bank of Sri Lanka.

The Performance Security shall remain valid for a period of one hundred twenty (120) days from the date of successful completion of the final delivery of the last shipment under the Contract, without any outstanding disputes.

The Performance Security shall be liable to forfeiture in the event of any breach of the terms and conditions of the Agreement by the Seller, notwithstanding that the Seller may have delivered the full quantity of Coal ordered by the Buyer.

Failure of the successful Bidder to comply with the requirements of Clause 2.13.7 or Clause 2.13.8 shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Security.

## 2.14. Evaluation and Qualification Criteria

### 2.14.1. Eligibility and Qualification of Bidders

The qualification criteria set out below are adopted from the supplier registration (prequalification) requirements of Lanka Coal Company (Private) Limited and shall form the basis for evaluation of bids.

Documentary evidence demonstrating compliance with the following criteria shall be submitted as part of the Technical Proposal in accordance with Clause 2.10.3.

Mandatory forms and documents to be submitted are as outlined below. Forms are as in Annexure 11, numbered as 11.1 – 11.10

### 2.14.2. Joint Venture of Companies

A Joint Venture (JV) shall be required to be qualified according to the criteria stated in this Clause. All individual members of the Joint Venture must qualify according to the criteria stated herein for the Joint Venture to qualify to submit a Bid.

In the event a Joint Venture includes a member who is not qualified, then the entire Joint Venture shall be disqualified, even if the other members are individually qualified.

Bids submitted by a Joint Venture of two or more firms as partners shall comply with the following requirements:

- a) The Bid shall include all the information required for each Joint Venture partner and for the Joint Venture as a whole;

- b) One of the partners shall be nominated as the Lead Partner of the Joint Venture (the “Lead Partner”), and such authorization shall be evidenced by a Power of Attorney signed by legally authorized signatories of all partners;
- c) The Lead Partner shall be authorized to incur liabilities and receive instructions for and on behalf of all partners of the Joint Venture, and the execution of the Contract including payments shall be carried out exclusively with the Lead Partner;
- d) All partners of a Joint Venture shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms, and a statement to this effect shall be included in the authorization referred to above as well as in the Bid;
- e) A copy of the agreement entered into by the Joint Venture partners shall be submitted with the Bid;
- f) The maximum number of members forming a Joint Venture shall be limited to three (3).

**2.14.3. Individual / Joint Venture Bids**

- a) No Bidder may submit more than one Bid and no Joint Venture member may participate in more than one Bid. If a Joint Venture includes a member who participates in more than one Bid, such Joint Venture shall be disqualified.

The Bids of such Bidders who participate in more than one Bid shall be rejected.

- b) In the event the Bidder has supplied more than 2,000,000 MT of coal in the last 36 months (including a minimum of 1,000,000 MT with GCV of 5900 kcal/kg or above) and is a subsidiary or affiliate of another company, the Bidder may submit consolidated financial statements of the group where necessary to demonstrate compliance.

In such case, the parent or holding company shall submit a duly signed Power of Attorney together with a Board Resolution confirming financial support for performance of the Contract.

No other company belonging to the same group shall submit a separate Bid.

**2.14.4. Qualification of Bidders (Individual / Joint Venture)**

To be qualified, the Bidder shall provide evidence satisfactory to LCC of its capability and adequacy of resources to carry out the Contract effectively.

<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 27 of 172</p>
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**2.14.5. Minimum Qualification Criteria**

Bidders shall meet the following minimum qualification requirements. Documentary evidence demonstrating compliance shall be submitted as part of the Technical Proposal.

Failure to meet any of the minimum qualification criteria, or failure to provide satisfactory supporting documentation, shall result in rejection of the Bid as non-responsive and exclusion from further evaluation.

**(a) Financial Capacity**

The Bidder shall demonstrate an average annual turnover of not less than USD 100 million over the last three (3) audited financial years, with a cumulative turnover of not less than USD 300 million over the same period.

For this purpose:

- (i) the Bidder shall submit audited financial statements for the last three (3) consecutive financial years;
- (ii) draft or management accounts may be submitted only for the period following the last audited financial year;
- (iii) Bids that do not include audited financial statements for three (3) consecutive financial years shall be considered non-responsive;
- (iv) financial statements containing disclaimers, adverse opinions, or material qualifications that affect financial soundness shall not be considered acceptable; and
- (v) where the Bidder is a subsidiary or affiliated entity, consolidated financial statements shall be submitted to demonstrate the financial capacity of the group.

**(b) Experience in Coal Supply**

The Bidder shall have supplied a cumulative minimum of 2,000,000 metric tons of thermal coal during the thirty-six (36) months immediately preceding the deadline for submission of Bids, under one or more contracts.

Of this quantity, at least 1,000,000 metric tons shall have been coal with a gross calorific value (as received basis) of not less than,5900 kcal/kg (ARB).

Any transactions involving the supply of coal between partners of a Joint Venture formed for the purpose of this Bid shall not be considered for the purpose of assessing the experience of the Joint Venture.

Similarly, any transactions involving the supply of coal between parent companies, subsidiaries, affiliates, or associates of a Bidder, or of a partner of a Joint Venture, shall not be considered for the purpose of assessing the experience of the Bidder or Joint Venture, as the case may be.

The Bidder shall provide the following supporting information, duly certified by the respective purchaser:

- (i) Contract numbers, contract dates, and quantities of coal supplied to the indicated purchasers during the relevant period. The name of the supplier as stated in such documents shall exactly match the name of the Bidder. Any discrepancy shall render such evidence invalid.
- (ii) Bill of Lading (BL) / Goods Receipt Notice (GRN) reference numbers and quantities of coal received under each BL/GRN, together with copies of all such BLs/GRNs and supporting documents including invoices and customs records relating to the contracts declared above.

Where the BLs/GRNs do not explicitly refer to the relevant coal supply contracts or where the names of the purchaser and supplier do not exactly correspond, the purchaser shall certify that such BLs/GRNs relate to deliveries under the respective contracts.

In order to demonstrate compliance with the minimum supply requirement of 2,000,000 metric tons, the Bidder shall also provide:

- (iii) Test certificates issued by an independent testing authority and/or certificates from the purchaser confirming that the coal supplied meets the specified quality parameters (as received basis). Such certificates shall clearly identify the relevant consignment by reference to vessel name and date.

The Bidder shall ensure that the quantities claimed are supported by consistent documentation, and that the test certificates and BL/GRN documentation correspond to the same consignments.

**Note:**

In the event that the contact details provided are unreachable or unresponsive, or where any verification request made by LCC is not complied with by the Bidder’s purchaser, miner, or buyer within one (1) week from the date of request, such information may be disregarded for the purpose of evaluation.

**(c) Financial Resources**

The Bidder shall demonstrate access to working capital, liquid assets, or credit facilities of not less than **USD 30 million**, sufficient to meet the financial requirements for performance of the Contract.

- (i) Working Capital

Working capital shall be calculated based on the latest available audited financial statements using the following formula:

**Working Capital = Total Current Assets – Total Current Liabilities**

(ii) Credit Facility / Bank Confirmation

The Bidder shall provide an original letter of confirmation from its bank(s) verifying the availability of a credit facility and/or liquid assets of not less than USD 30 million.

Such facility may include a revolving (rolling) credit facility, provided that the full amount is available for drawdown as required.

Photocopies, facsimiles, or electronic copies shall not be accepted.

As per this clause the Bidder shall fulfill the requirement of USD 30 million either through (i) or (ii) and not in aggregate.

(d) Coal Quality Confirmation

The Bidder shall submit a letter confirming that the coal proposed to be supplied from the identified source(s) meets the quality specifications of LCC as set out in Clause 5.1 and Clause 5.2.

(e) Litigation and Contract Performance History

The Bidder shall provide accurate and complete information on any litigation or arbitration arising from contracts completed or under execution during the last three (3) years.

- (i) A consistent history of adverse arbitration awards or decisions against the Bidder or any partner of a Joint Venture may result in disqualification.
- (ii) Any Bidder that is currently in dispute with LCC, or that has previously failed to supply coal in accordance with contractual terms, or has committed material breaches of contracts relating to coal supply to LCC, may be disqualified.

(f) Joint Venture Qualification Requirements

For the purpose of determining compliance with the qualification requirements specified in Clause 2.14.5, the figures for each partner of a Joint Venture shall be aggregated.

However, in order for a Joint Venture to qualify:

- (i) each partner shall individually meet at least **thirty-five percent (35%)** of the minimum qualification requirements specified under Clause 2.14.5(a) and Clause 2.14.5(b); and
- (ii) the Lead Partner shall individually meet at least **fifty percent (50%)** of such minimum qualification requirements.

Failure to comply with the above requirements shall result in disqualification of the Joint Venture.

The experience and resources of subcontractors shall not be considered in determining the Joint Venture’s compliance with the qualification requirements.

**2.14.6. Additional Eligibility Requirements**

The following additional prerequisites shall be satisfied by the Bidder in order to be eligible and qualified:

- (i) The Bidder shall be a properly constituted firm, company, partnership, or other legal entity duly organized, existing, and registered under the laws of its country of incorporation. Copies of the certificate of incorporation and/or business registration shall be provided.
- (ii) The Bidder shall not have any criminal or civil proceedings pending or concluded against it relating to non-payment of taxes, duties, or obligations to any government or any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations, either in Sri Lanka or in the Bidder’s country of incorporation. A declaration to this effect, signed by the authorized signatory, shall be submitted.
- (iii) The Bidder shall not be bankrupt, insolvent, or under any form of administration or receivership. A declaration to this effect, signed by the authorized signatory, shall be submitted.
- (iv) The Bidder shall provide satisfactory bank references confirming financial standing and support. Original letters issued by the bank(s) shall be submitted. Copies, facsimiles, or electronic versions shall not be accepted.
- (v) The certificate of incorporation or business registration shall be authenticated or certified by an authorized entity in the Bidder’s country to establish the authenticity of the document.

**2.15. Local Agent Requirement (if applicable)**

Where a Bidder elects to appoint a local agent in Sri Lanka to facilitate contract execution, the Bidder shall demonstrate that such agent possesses the necessary legal, operational, and financial credibility to perform the assigned role.

For this purpose, the Bidder shall submit verifiable documentary evidence including, but not limited to:

- (i) a valid business registration certificate issued by the relevant authority and proof of tax registration (TIN/VAT);

- (ii) a Grama Niladhari (GN) certificate confirming the agent’s local residence and presence;
- (iii) a valid Police Clearance Certificate issued by the Sri Lanka Police in respect of the agent and/or its key personnel;
- (iv) a Credit Information Bureau (CRIB) report demonstrating the financial standing and creditworthiness of the agent;
- (v) a Power of Attorney or formal authorization from the Bidder confirming the agent’s authority to act on its behalf in Sri Lanka;
- (vi) evidence of an active bank account in the name of the agent or a letter from a financial institution confirming financial credibility; and
- (vii) professional references or evidence of prior relevant business activity demonstrating reliability and experience in similar roles.

All documents submitted under this Clause shall be current and issued within the preceding six (6) months from the date of bid submission, unless otherwise specified.

Where a Bidder appoints a local agent but fails to provide verifiable evidence of the agent’s credibility, such Bid may be rejected as non-responsive.

Bidders who do not appoint a local agent are not required to submit the above documents.

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**PART II**

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<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 33 of 172</p>
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## BID DATA SHEET (BDS)

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

- **Name of Contract:** Supply of 2.28 Million MT +/-10% of Coal for Lakvijaya Power Plant, Electricity Generation Lanka (Pvt) Ltd
- **Period of Supply:** September 2026 – May 2027.
- **Procurement Number:** LCC/26/TP/1
- **Awarded quantity:** Total Quantity of Coal to be supplied under this contract is 2.28 million MT +/-10%. The final quantity awarded under this Contract would be as set out in clause 2.13.2
- **Vessel Type / Size: Geared:** 60,000 MT +/- 10% at buyer's option
- **Delivery schedule:** shall be as set out in Clause 2.7(d) and further specified in the Supplement to the Bid Data Sheet, pursuant to Clause 2.13.2

Item No.	Reference Clause	Data	
1		Name of the Buyer	Lanka Coal Company (Private) Limited
		Address of the Buyer	The Chairman Standing High Level Procurement Committee (SHLPC) C/O Lanka Coal Company (Private) Limited (LCC) 51/3, Suranimala Place, Off-Dutugemunu Street, Kohuwala/Dehiwala, 10350, Sri Lanka.
		Telephone No.	+94 11 2824681/ +94 11 2824682 +94 11 2824689
		Email Address.	<a href="mailto:sujantha.pm@lankacoal.lk">sujantha.pm@lankacoal.lk</a>
2	2.9.2	Pre-bid Meeting	A Pre-Bid meeting will take place at 2.00 p.m. on 23 <sup>rd</sup> April 2026, at the address mentioned in Item 1 above
3	2.10.5	Price	Price shall be quoted as per the ANNEXURE 5, per MT basis in USD
4	2.10.7	Amount of Bid Security	USD 2,280,000 (United States Dollars Two Million Two Hundred Eighty Thousand Only) or LKR 700,000,000.00 (Sri Lanka Rupees Seven Hundred Million Only)
5	2.10.7	Period of validity of Bid Security	56 days beyond Bid Validity date 31 <sup>st</sup> December 2026

6	2.10.8	Period of Validity of Bid	175 days from the closing date of the Bid Up to 5 <sup>th</sup> November 2026
7	2.11.1	Time, Date and Location for Bid closing and opening	Immediately after the bid closing at 10.00 a.m. (Sri Lanka Standard Time), on the same date, at the address specified in Item 1 above.
8	2.11.2.(a)	Deadline for Bid Submission  Place at which Bids will be received.	10:00 a.m. (Sri Lanka Standard Time) on 14 <sup>th</sup> May 2026. At the address mentioned in Item 1 above.
9	2.11.2.(b)	Deadline for Submission of Bids	Will not be extended.
10	2.11.4	Modification and Withdrawal of Bids	The Bid and any modifications shall be submitted in 1 Original and 1 Copy
11	2.13.6	Standstill Period	7 working days
12	2.13.8	Performance Security	10% of the Awarded Price/MT x Awarded Quantity

### BDS Acceptance Clause

We hereby confirm that we have read and understood all the provisions of the Bidding Data Sheet (BDS) included in the tender documents and fully accept the terms, conditions, and requirements stated therein without any reservations.

Company Name :

Authorized Signature :

Name :

Title :

Address :

Telephone No :

Telefax No :

Email Address :

Date :

Please affix company seal here.

**Supplement to the Bid Data Sheet [as per clause 2. 7 (d)]**

The Supplement to the Bid Data Sheet shall form an integral part of this BDS.

**PROCUREMENT REFERENCE – LCC/26/TP/1**

Shipment No	Laycan No.	Quantity (MT) +/- 10%	ETA at Puttalam Anchorage (Tentative)
1	LCC/26/TP/1-01	60,000	10-Sep-2026
2	LCC/26/TP/1-02	60,000	16-Sep-2026
3	LCC/26/TP/1-03	60,000	22-Sep-2026
4	LCC/26/TP/1-04	60,000	28-Sep-2026
5	LCC/26/TP/1-05	60,000	4-Oct-2026
6	LCC/26/TP/1-06	60,000	10-Oct-2026
7	LCC/26/TP/1-07	60,000	16-Oct-2026
8	LCC/26/TP/1-08	60,000	22-Oct-2026
9	LCC/26/TP/1-09	60,000	28-Oct-2026
10	LCC/26/TP/1-10	60,000	3-Nov-2026
11	LCC/26/TP/1-11	60,000	9-Nov-2026
12	LCC/26/TP/1-12	60,000	15-Nov-2026
13	LCC/26/TP/1-13	60,000	21-Nov-2026
14	LCC/26/TP/1-14	60,000	27-Nov-2026
15	LCC/26/TP/1-15	60,000	2-Dec-2026
16	LCC/26/TP/1-16	60,000	7-Dec-2026
17	LCC/26/TP/1-17	60,000	12-Dec-2026
18	LCC/26/TP/1-18	60,000	17-Dec-2026
19	LCC/26/TP/1-19	60,000	22-Dec-2026
20	LCC/26/TP/1-20	60,000	27-Dec-2026
21	LCC/26/TP/1-21	60,000	2-Jan-2027
22	LCC/26/TP/1-22	60,000	7-Jan-2027
23	LCC/26/TP/1-23	60,000	12-Jan-2027
24	LCC/26/TP/1-24	60,000	17-Jan-2027
25	LCC/26/TP/1-25	60,000	22-Jan-2027
26	LCC/26/TP/1-26	60,000	27-Jan-2027
27	LCC/26/TP/1-27	60,000	2-Feb-2027
28	LCC/26/TP/1-28	60,000	8-Feb-2027
29	LCC/26/TP/1-29	60,000	14-Feb-2027
30	LCC/26/TP/1-30	60,000	20-Feb-2027
31	LCC/26/TP/1-31	60,000	25-Feb-2027
32	LCC/26/TP/1-32	60,000	2-Mar-2027
33	LCC/26/TP/1-33	60,000	7-Mar-2027
34	LCC/26/TP/1-34	60,000	12-Mar-2027
35	LCC/26/TP/1-35	60,000	17-Mar-2027
36	LCC/26/TP/1-36	60,000	22-Mar-2027
37	LCC/26/TP/1-37	60,000	28-Mar-2027
38	LCC/26/TP/1-38	60,000	2-Apr-2027

**End of Section 2**

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**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
- SECTION 3 - CONDITIONS OF CONTRACT**
- SECTION 4 - COAL SUPPLY AGREEMENT**
- SECTION 5 - SCHEDULES**
- SECTION 6 - FORMS - ANNEXURES**
- SECTION 7 - DEFINITIONS**

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### 3. CONDITIONS OF CONTRACT

#### 3.1. SHIPPING AND TRANSPORT ARRANGEMENTS AND PLACE OF ORIGIN

Coal shall be supplied FOB/CFR (Puttalam Anchorage) basis, set out under Section 5 in Clause 5.7, 5.8 & 5.9.

A certificate of origin shall be issued to confirm the origin of each shipment of coal. This document will be of the shipping documents described under Section 5 in Clause 5.7.2, sent by courier within Five (5) working days after departure of each vessel from the loading port.

#### 3.2. WEIGHT DETERMINATION AND COST OF DRAFT SURVEYING

The weight of each shipment of Coal shall be determined at the Port of Loading and the Discharging Anchorage by Draft Surveys.

The draft survey for weight determination shall be carried out by an Independent Marine Surveyor acceptable to both the Buyer and the Seller and shall be binding on both parties. The cost of weight determination at the Port of Loading shall be on the Seller’s account and the such cost of weight determination at the discharging anchorage shall be on the buyer’s account. The seller may appoint another independent surveyor who shall be permitted to supervise the Draft survey at the discharge port at its own cost.

The Independent Marine Surveyor shall also inspect all holds of the vessel at the Port of Loading to ensure that they have been thoroughly cleaned and are suitable for carrying that shipment of Coal, and shall in addition issue a hold cleaning inspection certificate. The Seller shall provide, via electronic transmission to the Buyer, certificates of weight determination issued by the Independent Marine Surveyor within Five (5) working days from the date of BL. The originals shall accompany each invoice prepared and submitted in accordance with Clause 3.6.

However, any cost incurred due to delay in receipt of Load Port shipping documents shall be on account of the seller. The weight determined at the Puttalam Anchorage (Discharge Anchorage) shall be considered the final and binding weight for invoicing and full payment purposes of each coal shipment.

In the event bilge water collected during unloading at the discharge port, based on the initial draft survey conducted before unloading and the final draft survey completed after unloading, if deemed necessary. Accordingly, the measured quantity of bilge water (in metric tons) shall be deducted from the draft-surveyed coal quantity.

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### 3.3. TRANSFER OF TITLE AND RISK OF LOSS

#### 3.3.1. FOB Trimmed (Loading Port) and CFR (Puttalam Anchorage) BASIS

**FOB** - Risk of loss of or damage to the Coal shall pass from the seller to the buyer when the Coal has been loaded on board the vessel and trimmed at the named Port of Shipment.

**CFR**- Risk of loss of or damage to the Coal shall pass from the Seller to the Buyer when the Coal has been loaded and trimmed on board the nominated carrying vessel at the Port of Loading. Title to the Coal shall pass from the Seller to the Buyer upon the Buyer’s receipt of the shipping documents, as more particularly described in Clause 5.7.2 of the Schedules.

#### 3.3.2. Incoterms

FOB (trimmed) + Fright = CFR

Unless otherwise expressly provided for in this Agreement, trade terms shall be interpreted in accordance with Incoterms® 2020 as published by the International Chamber of Commerce. In the event of any inconsistency between Incoterms® 2020 and the provisions of this Agreement, the provisions of this Agreement shall prevail.

No subsequent revision or replacement of Incoterms shall apply unless mutually agreed in writing by both Parties.

### 3.4. QUALITY

The Coal supplied by the Seller shall meet the specifications set out in clause 5.1 of this document or shall be better than such quality specifications. Coal not conforming to the standard values in clause 5.1 but not falling outside the LCC Minimum and Maximum Quality Limits for Coal in clause 5.2, shall be accepted by the Buyer at an adjusted Price in accordance with Clause 5.5.

#### 3.4.1. Uniform Quality; No Foreign Matter

The Seller shall ensure that the Coal delivered under each shipment to the Jetty coal stockpiles complies with the LCC Standard Values stipulated in Clause 5.1 and is free from any foreign matter, debris, tramp metal, oversized material, or other contaminants that may cause damage, obstruction, excessive wear, safety hazards, or material operational disruption to vessels or to the Coal Unloading and Handling Facilities of the Plant (Lakvijaya Power Plant).

#### 3.4.2. Handling Characteristics

The Seller shall ensure that the Coal possesses handling characteristics that enable safe and efficient discharge and transport to the coal yard of the Plant.

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**3.4.3. Failure to meet Specification**

**(a) At Load Port**

Within 72 hours after receiving, the certificate of analysis of load port provided pursuant to clause 3.5 if the parameters listed under Section 5 in Clause 5.2 “**LCC Minimum and Maximum Quality Limits for Coal**” (GCV, Total Moisture, Ash, Volatile Matter, Size, Hardgrove Grindability Index, Sulphur and Ash Fusion Temperature), of the coal shipment falls outside the LCC Minimum and Maximum values stated in Clause 5.2, LCC shall Reject such coal. In this event, the Seller shall promptly recall such coal shipment at the Seller’s cost and the Seller shall be obliged to offer alternative supply of Coal with the quality as per clause 2.6.

In the event that the coal is rejected, and the Seller provides alternative supply of Coal, then the Seller is not exempted from paying any Liquidated Damages on account of any delays, then the provisions of Clause 3.8.1 shall be applicable, considering the delay till such alternative supply of Coal is loaded and trimmed on board the nominated carrying vessel at the Port of Loading.

**(b) At Discharge Port (Jetty of the Plant)**

Where, based on the Discharge Port Analysis Certificate, any coal quality parameter falls outside the minimum or maximum limits specified in Clause 5.2, and the coal has already been unloaded, the Price shall be adjusted strictly in accordance with Clause 5.6, and shall not indemnify the seller against any further action as set out in clauses 3.10 and 3.11 of this document.

**(c) Determination and Deduction of Excess Water Content in Cargo Holds at Discharge Port**

The moisture content of the coal supplied at the discharge port shall be final and binding for payment of each vessel. However, if any vessel is found to have sticky or jammed cargo, water-contaminated cargo, cargo loaded under sub-zero temperature conditions, or if water is observed accumulated during the unloading in the bottom of the holds/bilge water tanks by the Buyer or stevedores, the Seller shall agree to jointly engage an intermediate independent cargo condition surveyor with the Buyer at the discharge port to quantify the actual water accumulated in the holds/bilge water tanks. The quantified water volume (in metric tons) shall be deducted from the final draft-surveyed coal quantity. All costs incurred in determining the water content in the holds/bilge water tanks shall be borne by the Seller.

Upon the vessel's arrival at Puttalam Anchorage, and prior to the commencement of the initial draft survey, the Master of the vessel shall submit the bilge water log sheet report to the LCC’s designated authority. Furthermore, a bilge water quantity covering the entire unloading period, from commencement to completion, shall also be provided at the final draft survey as per clause 5.8.1.3. (j). This is to verify any accumulation of

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water in the vessel’s bilge tanks during the unloading process and to facilitate the measurement of such water, so that any excess water will be accurately deducted from the final draft-surveyed coal quantity at the discharge port.

The price reduction corresponding to the quantified excess water, as described above, shall be applied in accordance with Clause 5.5.4.1 of the Schedule.

**3.4.4. Organic Contaminants**

The Buyer reserves the right, at its sole discretion, to require that any shipment be analyzed by the Independent Surveyor to determine the presence of organic contaminants, including but not limited to petroleum coke, pitch, pitch coke, tar sludge, or other petroleum by-product-related solids.

The Seller shall not unreasonably withhold or delay its consent to such testing.

All testing shall be conducted in accordance with the applicable ASTM standards. The results issued by the Independent Surveyor shall be final, conclusive, and binding upon the Parties, absent manifest error or fraud.

If the testing confirms the presence of any of the above-mentioned organic contaminants, the cost of such testing shall be borne by the Seller, without prejudice to any other rights and remedies available to the Buyer under this Agreement or at law, including, but not limited to, rejection of the cargo and/or termination of this Agreement.

If the testing confirms the absence of such organic contaminants, the cost of such testing shall be borne by the Buyer.

**3.5. DETERMINATION OF QUALITY OF COAL DELIVERED**

**3.5.1. Standards of the analysis and selection of independent surveyor at ports.**

**A. Standards of The Analysis**

Each shipment of Coal shall be sampled at the Port of Loading and at the Jetty of the Plant in accordance with the ASTM standards (American Society for Testing and Materials) specified in Clause 5.3.

Testing shall be carried out by a laboratory accredited to ISO/IEC 17025, and valid accreditation certificates together with the applicable scope of accreditation shall be furnished upon request.

Notwithstanding Clause 5.3, ISO/IEC 17025 accreditation shall be required only in respect of ASTM methods applicable to:

- a) coal sampling and sample preparation, to the extent necessary for determination of the parameters specified in Clause 5.1; and

b) the coal quality parameters set out in Clause 5.1 (Coal Specification).

ASTM methods listed in Clause 5.3 that relate to parameters not included in Clause 5.1 may be applied in accordance with ASTM standards, but accreditation for such methods shall not be required.

Test results in respect of parameters falling outside the laboratory’s accredited scope shall not affect the validity or acceptance of results for parameters within such accredited scope.

It is expressly agreed that accreditation for the full suite of ASTM methods listed in Clause 5.3 shall not be a condition for the appointment of the laboratory.

**B. Selection of Independent Surveyor at the Port of Loading**

Sampling and testing at the Port of Loading shall be carried out exclusively by an accredited and internationally recognized Independent Surveyor appointed by the Buyer, operating an ISO/IEC 17025 accredited laboratory with ASTM coal testing methods within its accredited scope.

The Seller shall be responsible for obtaining all necessary permissions, clearances, and access arrangements with the terminal operator and relevant authorities to enable the Buyer’s Independent Surveyor to carry out sampling and testing.

Sampling shall be conducted in accordance with ASTM standards. Joint sampling shall not be required.

The Seller may, at its sole discretion and cost, appoint its own representatives or independent surveyor to observe the sampling process. Such observation shall not be a condition for the validity of the sampling.

The Independent Surveyor appointed by the Buyer shall draw six (6) representative samples from each shipment, which shall be handled as follows:

- (i) two (2) samples shall be forwarded to the Buyer;
- (ii) two (2) samples shall be made available to the Seller;
- (iii) one (1) sample shall be used for analysis; and
- (iv) one (1) sample shall be retained by the Independent Surveyor as the **Load Port Reference Sample**, properly sealed and labelled, and maintained under secure custody for a minimum period of ninety (90) days from the date of the Bill of Lading, to be used exclusively for dispute resolution and referee testing.

The Independent Surveyor shall arrange for immediate analysis of the designated sample at an ISO/IEC 17025 accredited laboratory and shall issue the Certificate of Analysis (COA) directly to the Buyer, with copies simultaneously transmitted to the Seller, within five (5) Working Days from the date of the Bill of Lading.

The Load Port Quality Certificate issued by the Buyer’s Independent Surveyor shall be the sole certificate for the purposes of Load Port quality determination under this Agreement.

The Buyer shall bear the cost of sampling and analysis at the Port of Loading.

The original Load Port inspection report (Quality and Quantity Certificate) shall form part of the shipping documents.

**C. Selection of independent surveyor at discharge port.**

Sampling and analysis at the Jetty of the Plant shall be carried out by an accredited and internationally recognized Independent Surveyor appointed by the Buyer, operating an ISO/IEC 17025 accredited laboratory with ASTM coal testing methods within its accredited scope.

The Seller may, at its sole discretion and cost, appoint its own representatives or independent surveyor to observe the sampling and analysis process. Such observation shall not be mandatory.

Sampling shall be conducted in accordance with ASTM standards.

Samples shall be divided into three (3) parts:

- (i) one (1) part shall be used for analysis by the Buyer’s appointed Independent Surveyor;
- (ii) one (1) part shall constitute the Discharge Port Reference Sample, which shall be retained under joint seal and joint custody of the Buyer and the Seller for a minimum period of ninety (90) days from the date of completion of discharge; and
- (iii) one (1) part shall be retained by the Buyer (or the Plant) for contingency purposes for a minimum period of ninety (90) days.

The Independent Surveyor shall carry out draft surveying for determination of quantity and shall issue the Draft Survey Report within four (4) Working Days from completion of discharge.

The Independent Surveyor shall conduct sampling and analysis of the Coal and shall issue the final Certificate of Analysis within ten (10) days from completion of discharge.

The Independent Surveyor shall transmit the Certificate of Analysis directly and simultaneously to both the Buyer and the Seller upon completion of analysis and within the time period specified above..

The Buyer shall bear the cost of sampling and analysis at the Discharge Port.

Notwithstanding the above, the Buyer reserves the right to replace or appoint an alternative accredited and internationally recognized Independent Surveyor at the Discharge Port, provided that such surveyor meets the requirements set out in this Clause and operates an ISO/IEC 17025 accredited laboratory with relevant ASTM coal testing methods within its accredited scope.

The Buyer shall notify the Seller of any such change without undue delay. Such replacement shall be deemed accepted unless the Seller raises reasonable and substantiated objections in writing within three (3) Working Days of such notification. Any objection shall be limited to the surveyor’s lack of accreditation, competence, or independence. Pending resolution of such objection, the Buyer’s nominated surveyor may continue to perform its functions.

**D. Dispute Resolution - Quality Determination**

The Load Port Quality Certificate issued by the Buyer’s Independent Surveyor shall form the basis for provisional acceptance or rejection of the shipment.

Either Party may dispute the results of analysis conducted at the Port of Loading or the Discharge Port by giving written notice within seven (7) days from the date of the relevant Certificate of Analysis.

In the event of such dispute, the relevant Reference Sample shall be submitted to an independent referee laboratory selected from the list of approved laboratories set out in this Agreement.

Such laboratory shall be ISO/IEC 17025 accredited and shall have relevant ASTM coal testing methods within its accredited scope.

The results of the referee laboratory shall be final and binding on the Parties.

Notwithstanding the above, the Certificate of Analysis issued at the Discharge Port shall be final and binding for the purposes of payment, except where re-testing is carried out in accordance with Clause 3.5.3.

**E. Chain of Custody – Coal Sampling**

The Independent Surveyor and the laboratory engaged for sampling and analysis shall maintain complete, verifiable, and documented chain of custody records for all samples collected at the Port of Loading and the Discharge Port.

All samples, including the Load Port Reference Sample and the Discharge Port Reference Sample, shall be properly labelled, sealed, handled, stored, and transported in a manner that preserves their integrity and traceability at all times.

In the event of any dispute requiring testing of a Reference Sample, the Independent Surveyor or the laboratory having custody of such sample shall be responsible for ensuring its secure handling, preservation, and transport to the designated referee laboratory.

Such responsibility shall include maintaining documented evidence of custody from the point of collection to the point of delivery to the referee laboratory, irrespective of the location or country in which such testing is conducted.

Any failure to maintain proper chain of custody may be taken into account in determining the validity and evidentiary weight of the test results.

**3.5.2. Determination of quality and acceptance of coal for unloading.**

In the event the coal shipment, does not fall outside the LCC’s minimum or maximum limits specified in Clause 5.2, LCC shall accept such coal. The Letter of Acceptance (LOA) as per clause 5.15, shall be issued by the buyer to seller, within 72 hours after receiving the Draft Surveying, Sampling and Analysis certificates issued at the port of loading. LCC shall have the right to reject any consignment of coal if LOA is not issued due to non-acceptance of the coal quality at Load Port as per the Load Port Analysis Certificate

The above certificates shall be accepted only for the sampling and analysis made as per the American society for Testing and Materials Standards (ASTM) clause 5.3 for all parameters given in Clause 5.1.

**3.5.3. Testing of the Reference Sample**

In the event that either Party disputes the results of analysis conducted at the Port of Loading or the Discharge Port, such Party may request testing of the relevant Reference Sample in accordance with Clause 3.5.1(D).

The Reference Sample shall be submitted to an independent referee laboratory selected from the list of approved laboratories set out in this Agreement.

The results of the referee laboratory shall be final, binding, and conclusive upon the Parties for all purposes, including payment, save and except in respect of the size parameter.

Notwithstanding anything to the contrary herein, the size parameter as determined in the original Discharge Port Certificate of Analysis shall be final and shall not be subject to re-testing.

The cost of testing and analysis of the Reference Sample shall be borne by the Party requesting such testing.

Each Party shall be entitled to nominate up to two (2) duly authorized representatives to witness the testing of the Reference Sample.

The laboratory conducting such testing shall maintain full chain of custody and shall issue the results simultaneously to both Parties.

**3.5.4. Cost of Sampling**

The cost of sampling and analysis at the Port of Loading and at the Discharge Port shall be borne by the Buyer.

In the event that any further or additional analysis, including testing of Reference Samples, is requested, the cost of such analysis shall be borne by the Party requesting it.

The fees and expenses of any Independent Surveyor or representatives appointed by either Party for observation or supervision shall be borne by the respective appointing Party

**3.5.5. Provision of Analysis**

The Independent Surveyor appointed by the Buyer shall issue the Certificates of Analysis for samples taken at the Port of Loading and the Discharge Port.

Such Certificates of Analysis shall be transmitted electronically directly and simultaneously to both the Buyer and the Seller without alteration or delay, and such electronic transmission shall constitute valid delivery for the purposes of this Agreement.

The Independent Surveyor shall act independently and shall not be subject to the direction or control of either Party in the preparation and issuance of such Certificates of Analysis.

**3.5.6. Responsibility**

If the Buyer does not reject, pursuant to Clause 3.4.3 (a), coal that is of a quality outside the LCC’s minimum or maximum limits set out in Clause 5.2, then the Seller shall not be liable for any direct or indirect damages resulting from the use of such coal by the Buyer, its agents, or its contractors.

**3.6. INVOICING**

Invoices for Coal which has been delivered to the Buyer and has not been rejected by the Buyer pursuant to Clause 3.4.3 shall be issued in the manner hereinafter set out for each shipment in required number of copies;

There shall be three invoices,

1. Proforma Invoice for opening of Letter of Credit (LC) or Telegraphic transfer (TT),

2. Invoice for 80% payment and customs clearing purposes (and add total Freight if applicable)
3. The Final invoice for the balance Payment.

Invoices shall contain the following details as applicable:

- (i) Name of the Seller
- (ii) Invoice No. and date
- (iii) Contract Year/ Shipment Number
- (iv) Identification of the Coal
- (v) Date(s) of delivery
- (vi) Vessel Name / Number or Voyage Name / Number
- (vii) Tonnage for the relevant shipment
- (viii) Suppliers Banking details
- (ix) Price per MT on FOB/CFR Puttalam anchorage as per clause 2.13.5.
- (x) Price of the Coal /Amount due (value of coal after coal index price and quality adjustment)
- (xi) Freight cost per MT (total freight including Bunker/Freight adjustment)
- (xii) Total invoice value
- (xiii) The Buyer contract reference number
- (xiv) LC reference No / TT advice (if applicable)
- (xv) BL No and Date

The Invoice shall be set out as follows:

**Total = (Tonnage) x [Applicable Index adjusted price per MT - (Price Adjustments on Quality + Adjusted Freight)] less if any other adjustment**

**A. Performa Invoice**

The seller shall prepare the Invoice as per the clause 3.6 above and submit to the buyer, indicating CFR Puttalam Anchorage/FOB Trimmed basis.

**B. Invoice for 80% Payment and Customs Purposes**

The seller shall prepare the Invoice under Section 3 in clause 3.6 above and submit to the buyer, indicating CFR Puttalam Anchorage/FOB Trimmed basis on relevant coal index report and Load Port analysis reports after calculating the Coal base index price and weight and quality price adjustments as per the clause 5.4 and 5.5. For initiating payment process, such invoice shall be sent electronically.

**C. Final Commercial Invoice for Balance Payment or 90-days Credit payment**

The seller shall prepare the Final Commercial Invoice as per the clause 3.6 above and submit to the buyer, indicating CFR Puttalam Anchorage/FOB

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Trimmed basis on relevant coal index report and Discharge Port analysis reports after calculating the Coal base index price and weight and quality price adjustments per the clause 5.4, 5.5 and 5.6. For initiating payment process, such final commercial invoice shall be sent electronically.

Each invoice shall be accompanied by all supporting documents stated in clause 5.13 and 5.14 of schedules enabling all relevant parties including the buyer to establish the accuracy of the amounts claimed in the relevant Invoices.

If the award is made on a credit basis (90-day), the full payment (100%) will be made 90 days after the Bill of Lading (BL) date, based on the final invoice.

**3.6.1. Payment**

**There Are Two (02) Options for Payments as Below**

One of the following payment methods could be selected by the seller with the mutual consent of buyer.

- 1) Payment by Sight/Usance Letter of Credit (LC) - (90 days)
- 2) Payment by Telegraphic Transfer (TT)

**3.6.1.1. Payment by Letter of Credit (LC)**

**A. Establishment of Documentary Letter of Credit**

The documents required for the establishment of the documentary Letter of Credit (“LC”) shall be those specified in Clause 5.11 of this Agreement, and any additional conditions for the LC shall be those set forth in Clause 5.12.

All payments under this Agreement shall be affected to the Seller (the “Beneficiary”) by means of an irrevocable, unconfirmed documentary LC, payable at sight or on a 90-day Usance basis, issued exclusively through the Bank of Ceylon, Sri Lanka. The Beneficiary’s bank must be duly authorised and capable of accepting and receiving the LC issued by the Bank of Ceylon.

The LC shall be opened in favour of the Beneficiary within seven (7) days from the Expected Time of Arrival (“ETA”) of the carrying vessel at the Port of Loading. The amount of the LC shall be determined based on the Proforma Invoice issued by the Seller no later than seven (7) days prior to the first day of the Laycan scheduled at the Port of Loading. All bank charges incurred outside Sri Lanka, if any, shall be borne solely by the Beneficiary.

The date on which the LC is transmitted by the issuing bank to the Beneficiary’s bank shall be deemed to constitute the date of establishment of the LC. The Buyer (the “Applicant”) shall not be liable for any delays in transmission of any

amendments requested by the Beneficiary subsequent to the establishment of the LC.

**B. Payment Method of First (80%) Payment**

The first payment of eighty percent (80%) of the provisional invoice value (“First Payment”) shall be made upon issuance of the Letter of Acceptance (LOA), in accordance with Clause 5.15 of the Schedules.

The Seller shall submit the original documents specified in Clause 5.13 of the Schedules (Documents Required for 80% Payment). The First Payment shall be effected upon receipt and verification of such documents.

***For the purpose of the First Payment:***

- a. The quantity of Coal shall be based on the Bill of Lading (B/L) quantity.
- b. Any quality price adjustment shall be calculated in accordance with the formulas set out in Clause 5.5 of this Agreement, based on the Load Port Analysis Certificates.

The balance payment shall be made upon submission of the Final Invoice after issuance of the Letter of Confirmation (LOC), in accordance with Clause 5.16 of the Schedules.

**C. Balance Final Payment or full payment on 90-day credit basis**

The balance final payment, or full payment where applicable under a 90-day credit arrangement, shall be made upon submission of the complete set of original documents specified in Clause 5.14 of the Schedules, subject to verification by the Buyer. The quantity of Coal shall be as per the Discharge Port Draft Survey Certificate, and quality price adjustments shall be calculated in accordance with the formulas set out in Clauses 5.5 and 5.6 of this Agreement, based on the Discharge Port Analysis Certificates.

The Final Payment shall reflect all necessary adjustments arising from the reconciliation between the provisional First Payment made based on Load Port certificates and the final quantity and quality determinations based on Discharge Port certificates.

In the event that the First Payment exceeds the final amount payable, LCC shall be entitled, without prejudice to any other rights or remedies available under this Agreement, to recover the excess amount by deduction from the next immediate 80% Payment Invoice, or from any subsequent Final Invoice, or by encashment or partial encashment of the Performance Security, as LCC may determine at its discretion.

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**3.6.1.2. Payment by Telegraphic Transfer (TT)**

TT payments are made to the seller (beneficiary) through a Telegraphic Transfer (TT) instead of the sight LC payment method through the Bank of Ceylon (BOC).

**A. Payment Method of First (80%) Payment**

The first payment of eighty percent (80%) shall be made against the “Invoice for 80% Payment” upon issuance of the Letter of Acceptance (LOA) in accordance with Clause 5.15 of the Schedule. The documents required for such payment shall be as specified in Clause 5.13 (a) to (h) of the Schedule.

The Load Port Quality and Quantity Certificates issued in accordance with the relevant provisions of this Agreement shall be transmitted directly and simultaneously to both the Buyer and the Seller within five (5) Working Days from the date of the Bill of Lading.

The issuance of the LOA shall be based on the Load Port Certificates and shall be conditional upon the vessel having arrived at the Discharge Port and being in all respects ready to tender Notice of Readiness (NOR).

Notwithstanding the above, the issuance of the LOA shall be conditional upon the vessel having arrived at the Discharge Port and being in all respects ready to tender Notice of Readiness (NOR), and the Buyer shall not be obligated to issue the LOA in the absence of such readiness.

Any Notice of Readiness (NOR) tendered prior to the issuance of the LOA or in the absence of the vessel being in all respects ready shall be deemed invalid and shall not be accepted by the Buyer, nor shall it give rise to commencement of laytime or any claim for demurrage. Laytime shall commence only upon valid tender and acceptance of NOR by the Buyer.

The Buyer shall be entitled to withhold issuance of the LOA and/or the corresponding payment in the event of any non-compliance with the requirements set out herein, including but not limited to failure of the vessel to meet the conditions for valid tender of NOR or non-compliance with the Load Port Quality requirements.

The LOA shall be issued by the Buyer within seventy-two (72) Working Hours (eight (8) hours per day) from the time of receipt of all documents specified in Clause 5.13 (a) to (h), subject to compliance with the above requirements.

Notwithstanding anything to the contrary contained herein, the Buyer shall be entitled to proceed with the unloading of the shipment prior to the realization of the eighty percent (80%) payment, without such unloading being construed as

acceptance of the coal or a waiver of any rights of the Buyer under this Agreement. Such unloading shall be without prejudice to the Buyer’s rights to verify quality and quantity, to reject the shipment if found non-compliant, and to withhold or recover any payments in accordance with the terms of this Agreement.

**B. Balance Final Payment**

The balance final payment shall be made against the final Commercial Invoice within seven (7) working days from the date of issuance of the Letter of Confirmation (LOC).

The Discharge Port certificates of Weight, Sampling and Analysis of Quality shall be issued by the internationally accredited independent surveyor within ten (10) days from the date of completion of discharge of each vessel, in accordance with Clause 3.5.1(C) of the Procurement Document.

The LOC shall be issued by the Buyer within twenty-four (24) working hours from the submission by the Seller of the final Commercial Invoice together with copies of the Discharge Port certificates referred to above.

For the avoidance of doubt, the issuance of the LOC shall be subject to the availability of the Discharge Port certificates and compliance with the requirements of this Agreement.

Payment shall be deemed to have been affected upon the earlier of (i) the crediting of funds to the Seller’s bank account, or (ii) the transmission of the official SWIFT message issued by the Buyer’s bank.

If the due date for payment falls on a non-Business Day of the bank(s) involved in the payment, payment shall be made on the next Business Day. For the purposes of this Clause, “Business Day” shall mean a day other than a public or bank holiday in the country of the Buyer or the Seller or at the place of delivery.

If the vessel fails to arrive at Puttalam Anchorage within five (5) days from the agreed Estimated Time of Arrival (ETA) following the first payment, LCC shall be entitled, without prejudice to its other rights, to recover or set off any resulting losses or amounts from any payments due under subsequent or prior shipments, or from the Performance Security, as applicable.

The Buyer shall have the right to withhold issuance of the LOC in the event of any unresolved dispute relating to quality, quantity, or compliance with contractual requirements.

**3.6.1.3. Currency and Payment**

**3.6.1.3.1 Contract Currency**

The Contract Price is fixed and expressed exclusively in United States Dollars (USD), which shall remain the sole governing contractual value for all purposes.

**3.6.1.3.2 Currency of Payment**

Payment shall be made in USD.

Upon written request by the Seller and subject to the Buyer’s written approval, payment may be effected in Sri Lankan Rupees (LKR) or another freely convertible currency acceptable to the Buyer. The Buyer shall have no obligation to approve such request.

**3.6.1.3.3 Exchange Rate (Payment Date Basis)**

Where payment in a currency other than USD is approved, the amount payable shall be converted from USD at the official exchange rate published by the Central Bank of Sri Lanka prevailing on the actual date of payment.

If no rate is published on that date, the most recently published official rate prior to the payment date shall apply.

**3.6.1.3.4 Allocation of Currency Risk**

The Seller shall bear all foreign exchange risks. No adjustment to the Contract Price shall be permitted due to exchange rate fluctuations or financial market movements.

**3.6.1.3.5 Conversion Costs and Bank Charges**

All currency conversion costs; exchange spreads, transfer charges, intermediary bank deductions, and related financial charges shall be borne exclusively by the Seller.

The Buyer’s payment obligation shall be deemed fully discharged upon remittance of the converted amount calculated in accordance with this Clause. Any shortfall arising from banking deductions or exchange differences shall be for the Seller’s account.

**3.6.1.3.6 Consistency with Procurement Documents**

This Clause shall be read consistently with the ITB. In the event of any inconsistency, the USD Contract Price shall prevail.

### 3.7.FORCE MAJEURE

#### 3.7.1. Definition

An *Event of Force Majeure* shall mean any circumstance not within the reasonable control, directly or indirectly, of the Party affected, but only if and to the extent that:

- (i) such circumstance, despite the exercise of reasonable diligence, cannot be prevented, avoided, or removed by the affected Party;
- (ii) such circumstance materially and adversely affects the ability of the affected Party to perform its obligations under this Agreement, and the affected Party has taken all reasonable precautions, exercised due care, and implemented reasonable alternative measures to avoid or mitigate the effect of such circumstance on its ability to perform its obligations;
- (iii) such circumstance is not the direct or indirect result of the failure of the affected Party to perform any of its obligations under this Agreement; and
- (iv) the affected Party has given the other Party prompt written notice describing the circumstance, its expected duration, its anticipated effect, and the actions being taken to comply with this Clause.

Notwithstanding anything to the contrary herein, Events of Force Majeure shall not include any strikes, lockouts, industrial actions, labor disputes, labor shortages, or other industrial disturbances involving the personnel of the Party seeking to invoke Force Majeure, or its agents, contractors, or subcontractors.

#### 3.7.2. Effects of Force Majeure

Except as otherwise expressly provided herein or as may be agreed in writing between the Parties, a Party affected by an Event of Force Majeure shall be excused from performance of its affected obligations and shall not be deemed to be in default for so long as and to the extent that such failure to perform is caused by the Event of Force Majeure.

#### 3.7.3. Certain Delays Not excused

Notwithstanding the existence of an Event of Force Majeure, this Clause shall not excuse:

- (a). Late payment of money;
- (b). Late delivery of Coal caused by negligent acts or omissions of the Seller, its contractors, or subcontractors, provided that delay arising from an Event of Force Majeure shall not be excluded solely due to the negligent act or omission of a

contractor or subcontractor if such act or omission could not reasonably have been anticipated by a prudent and qualified operator;

- (c) Late performance by the Seller or its contractors or subcontractors not directly attributable to the Event of Force Majeure;
- (d) Delays resulting from reasonably foreseeable adverse weather conditions or reasonably foreseeable unsuitable ground or sea conditions, unless the affected Party has taken reasonably prudent steps to prevent or mitigate the effects of such conditions.

**3.7.4. Notice of Force Majeure**

**Procedure**

As soon as reasonably practicable following the commencement of any Event of Force Majeure, a Party seeking to invoke such Event as a cause for delay in the performance of any obligation (other than payment obligations) shall notify the other Party in writing of the date of commencement, the nature of the Event of Force Majeure; and its expected duration and anticipated impact.

Within twenty-four (24) hours following the cessation of such Event of Force Majeure, the affected Party shall provide reasonable supporting evidence of the nature of the delay and its effect on performance.

The Parties shall:

- (a) use all reasonable efforts to prevent, minimize, and mitigate the effects of any Event of Force Majeure, including, where commercially reasonable, recourse to alternate acceptable sources of coal, services, equipment, and materials; and
- (b) use their best efforts to resume normal performance as soon as practicable and perform their obligations to the maximum extent reasonably practicable during the continuation of the Event of Force Majeure.

**3.8. FAILURE TO DELIVER**

**3.8.1. Liquidated Damages Due to Delays and Failure to Deliver Coal**

**a) Liquidated Damages due to Delay in loading**

In the event the Seller fails to supply total quantity as agreed with LCC or to commence loading and trimming of the cargo on board the nominated performing vessel at the port of loading within the Turn Time permitted under the applicable Charter Party and/or the rules and regulations of the Load Port, the Seller shall be liable to pay Liquidated Damages to the Buyer.

Liquidated Damages shall be calculated at the rate of 0.5% per day or part thereof of the Proforma Invoice value of the relevant shipment for each day of delay.

**Delay Period =**

Actual date and time of commencement of loading minus Valid Notice of Readiness (NOR) tendered and accepted at the Load Port.

Liquidated Damages shall accrue only after:

- (i) expiry of the permitted Turn Time under the governing Charter Party and/or applicable port regulations; and
- (ii) an additional grace period of twenty-four (24) hours thereafter.

The total Liquidated Damages payable shall not exceed the Proforma Invoice value of the relevant shipment.

Payment of Liquidated Damages shall not relieve the Seller from its obligation to perform the Agreement.

**b) Liquidated Damages due to Failure to Deliver**

In the event a shipment is rejected at the Load Port based on the agreed load port analysis report, the Seller shall be liable to pay LD for the delay in delivery resulting from such rejection.

Liquidated Damages shall be calculated at the rate of 0.1% per day or part thereof of the rejected shipment's Proforma Invoice value.

**Delay Period =**

Date and time of valid NOR of the substitute vessel at Puttalam Anchorage minus Expected Time of Arrival (ETA) of the originally rejected vessel at the Discharge Port.

In such instances, priority shall be given to vessels already scheduled to be anchored at the discharge port anchorage and the relevant berth scheduling provisions of this Agreement shall apply accordingly, and the Clause 5.8.1.3 shall not be applicable.

The total Liquidated Damages payable shall not exceed the Proforma Invoice value of the rejected shipment.

**c) Additional Protections, Recovery, and Relationship with Other Remedies**

Liquidated Damages under this Clause are agreed as a genuine pre-estimate of the Buyer’s losses and shall apply independently of demurrage.

In the event shipment delays attributable to the Seller result in congestion at the discharge port, vessels already scheduled shall retain priority. Delayed shipments shall be accommodated according to berth availability and schedule, and the Seller shall have no claim arising from rescheduling.

The Buyer shall be entitled to recover any Liquidated Damages payable by way of set-off or deduction from any sums due to the Seller, including payments under the applicable Letter of Credit.

Payment or recovery of Liquidated Damages under this Clause shall be without prejudice to any other rights of the Buyer, including:

- procuring substitute coal (Clause 3.8.3);
- recovering additional costs;
- terminating the Agreement (Clause 3.12).

In the event any shipment is delayed due to reasons attributable to the Seller, the Seller shall take all necessary steps to recover the delay and restore the agreed shipment schedule. The Seller shall, if required by the Buyer:

- (a) nominate additional vessels;
  - (b) advance subsequent shipments; or
  - (c) arrange overlapping shipments,
- so as to eliminate cumulative delay. All costs of such recovery measures shall be borne entirely by the Seller.

**3.8.2. Alternative Supply of Coal**

In the event that the Seller is unable to meet its supply obligations under this Agreement, other than due to an Event of Force Majeure, the Seller shall be obligated to arrange alternative supply of Coal, in consultation with the Buyer.

Any such alternative supply shall strictly conform to the quality specifications, quantity requirements, and pricing provisions set out in this Agreement. Payment for such Coal shall be made in accordance with the terms and conditions of this Agreement.

**3.8.3. Additional Costs Due to Failure to Deliver Coal**

The Seller shall bear in full all additional costs arising from the supply of Coal in accordance with Clause 3.8.2 above.

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If the Seller fails or is unable to arrange substitute Coal as required under Clause 3.8.2, the Buyer shall have the right, without prejudice to any other rights or remedies, to procure Coal from an alternative source in accordance with Clause 5.1-LCC STANDARD VALUES FOR COAL of this Agreement.

In such circumstances, the Seller shall be liable for and shall reimburse the Buyer for any additional costs reasonably and properly incurred by the Buyer in connection with such alternative procurement of Coal.

### 3.9. WARRANTIES AND COVENANTS

#### 3.9.1. Warranties by Buyer

The Buyer hereby represents and warrants to the Seller that:

- (a) It is a duly incorporated company with limited liability, validly existing and in good standing under the laws of the Democratic Socialist Republic of Sri Lanka.
- (b) The execution, delivery and performance of this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action. This Agreement constitutes valid and legally binding obligations of the Buyer, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and to general principles of equity.
- (c) Neither the execution and delivery of this Agreement nor the performance of its obligations hereunder does or will:
  - (i) contravene any applicable law or regulation binding on it or its assets;
  - (ii) violate its constitutional documents; or
  - (iii) result in a breach of, or constitute a default under, any agreement or instrument to which it is a party or by which it is bound.

### 3.10. EVENTS OF DEFAULT

#### 3.10.1. Seller Events of Default

Each of the following events, acts, occurrences or conditions shall constitute a ***Seller Event of Default***.

- (a) A breach of any materials term(s) of the Agreement;
- (b) If either:
  - i) the quality of twenty-five percent (25%) or more of the coal Delivered (as per Discharge Port Analysis Certificate) or tendered for Delivery (as per Load Port Analysis Certificate) over a three (3) month period; or

- ii) coal Delivered (as per Discharge Port Analysis Certificate) or tendered for Delivery (as per Load Port Analysis Certificate) by any Two (2) Shipments;

is outside the LCC Minimum and Maximum Quality Limits for Coal set forth in Clause 5.2 of Schedules;

- (c) (i) Repeated Short Delays: The Seller fails to deliver any shipment of Coal within seven (7) days of the scheduled delivery date on more than two (2) separate occasions, unless such delays are excused in writing by the Buyer.

(ii) Single Long Delay: The Seller fails to deliver any shipment of Coal for a continuous period of twenty-one (21) days or more from the scheduled delivery date, unless such failure is excused in writing by the Buyer.

**Clarifications:**

- Each shipment shall be considered independently for the purposes of (i) and (ii).
- Any excused delays approved in writing by the Buyer shall **not** be counted toward the above thresholds.
- A single delay shall be counted under either (i) or (ii), but **not both**.

- (d) The Seller ceases to possess all necessary licenses, permits and authorizations for the extraction, shipment and or sale of coal and, in any such case, the Seller fails to comply with its obligation to deliver alternative supply of Coal as referred to in Clause 3.8.2;

- (e) In case when Seller is a joint venture of two or more persons, change of the composition or constitution of the joint venture without prior consent of the Buyer; or

- (f) The ownership or control of the Seller or of an intermediate or the ultimate holding company of the Seller passes to a third party which is unacceptable to the Buyer, if in the opinion of the Buyer, that the change will impact on the seller’s ability to perform the Agreement. For the purposes of this sub-paragraph (e), none of the following shall of itself constitute a change in ownership or control which is unacceptable to the Buyer:

- i) the sale of a minority shareholding such that the acquirer obtains a total holding of not more than 20 per cent of the issued equity share capital of the relevant company;
- ii) the sale of shares in the relevant company to the public by way of a public offering; or,

- iii) the transfer of shares in the Seller between persons who are shareholders of the Seller at the date of the Agreement or a transfer of shares in the Seller to any affiliate of any such person, provided always that such transferee shall not cease to be an affiliate of any such person unless by not later than the time the transferee ceases to be such an affiliate it shall have retransferred the shares in the Seller to a person which is an affiliate of such person;

**3.10.2. Buyer Events of Default**

Each of the following events, acts, occurrences or conditions shall constitute a **Buyer Event of Default**:

- (a) A breach of any material term(s) of the Agreement;
- (b) The Buyer fails to pay any legitimate due amounts required to be paid to the Seller under the Agreement and such failure continues for thirty (30) days following the Seller's demand for such payment;
- (c) Plant is generally suspended or abandoned for a period of 365 consecutive days, in each case other than to the extent that such failure to commence, suspension or abandonment is attributable to an Event of Force Majeure.

**3.11. TERMINATION**

**3.11.1. Termination for Event of Default**

This Agreement may be terminated by either Party by giving Thirty (30) days' prior written notice upon the occurrence of an Event of Default by the other Party, provided that such termination shall not take effect if the circumstances on the basis of which the notice of termination is given are altered, cured, or remedied within the notice period specified in such notice.

**3.11.2. Termination for Repeated Reject Quality (Non-Curable)**

Notwithstanding Clause 3.11.1, in the event that, in respect of any two (02) different shipments, any coal quality parameter is reported outside the minimum or maximum tolerance limits specified in Clause 5.2 of the Schedules (LCC Minimum and Maximum Quality Limits for Coal), as evidenced by testing of coal samples at the Load Port and Discharge Port in accordance with the sampling and testing procedures set out in this Agreement, LCC shall be entitled to terminate this Agreement with immediate effect, without any cure period.

Notwithstanding the foregoing, LCC may, at its sole discretion and having regard to the requirement to ensure uninterrupted coal supply for power generation, elect to treat

such event as a curable default and proceed in accordance with Clause 3.11.1 by issuing a notice of termination with a cure period of thirty (30) days.

**3.11.3. Termination for Repeated Material Discrepancies Between Test Points**

Further, and independently of Clause 3.11.2, LCC reserves the right to terminate this Agreement if, in three (3) Shipments within any continuous six (6) month period, the Gross Calorific Value (GCV) reported in either the Load Port Test Results or the Discharge Port Test Results for the relevant Shipment deviates by more than ten percent (10%) from the Standard Value specified in Clause 5.1, and such deviation is confirmed through testing of the relevant Reference Samples by an independent accredited laboratory appointed in accordance with this Agreement, whose determination shall be final and binding.

**3.11.4. Consequences of Termination Due to Seller’s Breach**

In the event this Agreement is terminated due to a breach by the Seller, the Buyer shall be entitled to encash the Performance Security and shall cancel and withhold all payments in respect of Coal not delivered or not accepted as at the termination date. In addition, the Seller shall indemnify and hold harmless the Buyer against any losses, damages, costs, or expenses incurred as a result of such breach.

**3.11.5. Consequences of Termination Due to Buyer’s Breach**

In the event this Agreement is terminated due to a breach by the Buyer, the Buyer shall release the Performance Security forthwith, and the Seller shall not be required to refund any payments validly received for Coal delivered and accepted prior to termination. In addition, the Buyer shall indemnify the Seller against any direct losses or expenses incurred as a result of such breach.

**3.12. CONSEQUENCES OF DEFAULT**

The Buyer may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Seller, terminate the Contract in whole or in part (at the Buyer’s option) if:

- (a) the Seller fails to deliver any or all of the goods within the time period(s) specified in the Contract or any extension thereof granted by the Buyer; or
- (b) the Seller fails to perform any other obligation(s) under the Contract.

In the event the Buyer terminates the Contract in whole or in part pursuant to the above, the Buyer may procure, upon such terms and in such manner as it deems appropriate, coal of similar specifications, and the Seller shall be liable to the Buyer for any excess costs incurred for such replacement coal. Notwithstanding termination, the Seller shall continue performance of the Contract to the extent not terminated.

The aforementioned right of termination shall be without prejudice to any other rights and remedies that the Buyer may have under the Contract or at law, including, without limitation, the right to claim liquidated damages on account of delay in delivery of coal to the Destination Point. Further, any termination of the Contract shall be without prejudice to any rights or remedies that have accrued prior to such termination of the Contract.

**3.13. LIMITS OF LIABILITY**

**3.13.1. No Consequential Loss**

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

**3.14. SITE VISITS**

The Buyer and its designated representatives shall be entitled on reasonable notice to make site visits to the Mine, Testing Laboratory, Port of Loading and each of the Seller’s other facilities used in or associated with the supply of Coal to view the Seller’s operations. The Seller agrees to co-operate with such site visits and provide all such assistance and information (subject always to Clause 3.18) to the personnel engaged in such site visits as those persons may reasonably expect.

**3.15. CONFIDENTIALITY**

The terms of the Agreement, any information provided by one party to another in the course of negotiation of the Agreement or pursuant to Clause 3.18, any further negotiations among the parties, and any further terms agreed among the parties (collectively the Confidential Information) shall remain confidential to the parties and shall not be disclosed, or used otherwise than for the performance of the parties respective obligations under the Agreement, without the specific written agreement of both parties, provided that:

- (a) A party may disclose the Confidential Information to the extent required by law;
- (b) A party may disclose the Confidential Information to persons providing (or with view to providing) shipping services, finances or other support to the relevant party to enable it to perform its obligations in relation to the Plant of the subject matter of the Agreement provided that such person is subject to an equivalent obligation or confidentiality.

The provisions of this Clause shall survive any termination of the Agreement

**3.16. ENVIRONMENTAL CONSIDERATIONS**

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

**3.17. PERFORMANCE SECURITY**

Within fourteen (14) days of receipt of the Letter of Award, the seller shall furnish a Performance Security for an amount as mentioned in the BDS to cover the period of 120 days from the date of successful completion of the final delivery of the contract, (Throughout the Term, its obligations under the Agreement) in the form of a Bank Guarantee / Bank Guarantee of a bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka, or a bank in another country, but the Security / Guarantee confirmed by a bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka.

**3.18. ASSIGNMENT AND SANCTIONS**

**3.18.1. No Assignment**

Except where explicitly agreed to in writing by the other party, neither party shall assign, transfer, or otherwise dispose of the Contract or any part of its obligations, interests, or rights under this Agreement to any third party. Any attempted assignment without such written consent shall be deemed null and void and may result in immediate termination of the Contract at the discretion of the non-assigning party.

**3.18.2. Sanctions and Assignment of Contractual Obligations**

**(a) Non-Termination by Seller Due to Sanctions:**

In the event the Seller, its parent entity, affiliates, or any related party becomes subject to sanctions imposed by any recognized national or international authority (including but not limited to the United Nations, European Union, or the U.S. Office of Foreign Assets Control), the Seller shall not have the right to terminate this Contract on that basis. The Seller shall remain fully bound to fulfill all contractual obligations unless otherwise instructed in writing by the Buyer.

**(b) Assignment Upon Sanction – Subject to Buyer’s Approval:**

If the Seller is unable to perform under this Contract due to the imposition of sanctions, **the Seller may propose an assignment of its rights and obligations under the Contract to a qualified third party (Assignee)**, subject to the following conditions:

- (i) The proposed Assignee must not be subject to any form of sanctions, restrictions, or trade prohibitions;
- (ii) The Seller shall submit to the Buyer comprehensive documentary evidence of the sanctions, including official legal references and source documentation;
- (iii) The Buyer retains the exclusive right to approve or reject any proposed Assignee at its sole discretion and is not obligated to provide justification for its decision;
- (iv) No assignment shall be deemed effective unless and until the Buyer provides written approval of such assignment.

**(c) Continuity of Supply:**

Until such assignment is approved in writing and becomes effective, the Seller shall take all reasonable and necessary steps to continue the performance of its contractual obligations in order to prevent any disruption in coal supply.

**(d) No Waiver of Liability:**

Approval of any assignment by the Buyer shall not relieve the original Seller from any liabilities, obligations, or defaults arising prior to the effective date of such assignment. The Seller shall remain liable for all past performance and breaches under this Contract.

**3.19. MUTUAL COLLABORATION**

The Seller and the Buyer acknowledge that circumstances may arise which were not foreseeable at the time of signing this Agreement. In such events, the Parties shall use their best efforts to resolve any issues arising from such unforeseen circumstances in a spirit of mutual understanding and collaboration.

**3.20. DISPUTES AND ARBITRATION**

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

If amicable settlement has not been reached, then all such disputes arising out of the contract agreement shall be dealt in accordance with the provisions of Arbitration Act

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No. 11, 1995 of Sri Lanka. The language for the Arbitration shall be English and the place of arbitration shall be Sri Lanka. The following procedure shall be followed:

- (a) Any dispute, controversy or claim arising out of or relating to this Contract, or the breach termination or invalidity thereof [“Dispute”] may be submitted by either Party to arbitration for final settlement. Each of the Parties submits to arbitration under this Clause before a panel of three arbitrators under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) as then in force (the “Rules”), as modified by this Clause. The proceedings shall be conducted, and the award shall be rendered, in the English language. The seat and place of arbitration shall be Colombo, Sri Lanka unless any other location is agreed to by the Parties.
- (b) Each Party shall appoint one arbitrator, and the two arbitrators, so appointed shall appoint a third arbitrator. The third arbitrator shall be the chairman of the arbitral tribunal. If either Party fails to appoint an arbitrator or if the two Party-appointed arbitrators fail to agree upon a third arbitrator, then such arbitrator shall be appointed in terms of the Arbitration Act No. 11 of 1995 or such other law that governs Arbitration proceedings as in force in Sri Lanka.
- (c) Any award rendered by a majority of the arbitral tribunal shall be final and binding and judgment thereon may be entered and may be enforced in any court of competent jurisdiction. Any monetary award shall be made in reasonable time and as the arbitral tribunal may consider appropriate. The arbitral tribunal shall be authorized in its discretion to grant pre-award and or post-award interest as the case may be. Any costs, fees, or taxes incidental to enforcing the award shall, to the maximum extent permitted by law, be charged against the Party resisting such enforcement.
- (d) Subject to right of any Party to obtain any appropriate interim relief from any court of competent jurisdiction, an arbitration award under this Clause shall be a condition precedent to the commencement of action, suit, or claim in any court or other judicial forum.
- (e) Except, as expressly provided in this Contract, pending the award in any arbitration proceeding hereunder (i) this Contract and the rights and obligations of the Parties shall remain in full force and effect and (ii) each of the Parties shall continue to perform their respective obligations, including payment obligations, under this Contract. The termination of this Contract shall not result in the termination of any arbitration proceeding pending at the time of such termination nor otherwise affect the rights and obligations of the Parties under or with respect to such pending arbitration.

**3.21. GOVERNING LAW**

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

**3.22. NO WAIVER; CUMULATIVE REMEDIES**

No failure or delay by either Party in exercising any right, power, or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy.

Any waiver of any provision of this Agreement shall be effective only if made in writing and signed by the Party granting such waiver. Any such waiver shall apply only to the specific instance for which it is given and shall not constitute a continuing waiver of that or any other provision.

All rights and remedies provided under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights or remedies available under this Agreement, at law, or in equity.

**3.23. NO PARTNERSHIP OR AGENCY**

Nothing in this Agreement or in any arrangement contemplated hereby shall be deemed to create any partnership, joint venture, or relationship of principal and agent between the Parties. Neither Party shall have any authority to act for, bind, or represent the other Party in any respect except as expressly provided for in this Agreement.

**3.24. COSTS**

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

**End of Section 3**

INFORMATION COPY

**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
- SECTION 3 - CONDITION OF CONTRACT**
- SECTION 4 - COAL SUPPLY AGREEMENT**
- SECTION 5 - SCHEDULES**
- SECTION 6 - FORMS - ANNEXURES**
- SECTION 7 - DEFINITIONS**

## 4. COAL SUPPLY AGREEMENT

This AGREEMENT (“the Agreement”) is made and entered into on this..... day of ....., 2026

**Between**

**LANKA COAL COMPANY (PRIVATE) LIMITED**, a company duly incorporated and registered under the Companies Act, No 7 of 2007 and bearing registration Number PV 62636 and having its registered office at No 51/3, Suranimala Place, Off-Dutugemunu Street, Kohuwala/Dehiwala, Sri Lanka (hereinafter sometimes known and referred to as "Buyer " which term shall where the context so required and admits mean and include the said **LANKA COAL COMPANY (PRIVATE) LIMITED** its successors and permitted assigns) of the **FIRST PART**

**and**

....., a company incorporated and registered under and by virtue of the law of (country), ..... bearing company No. .... and having its registered/principal office at (.....address.....) (hereinafter sometimes known and referred to as "Seller " which term shall where the context so required and admits mean and include the said ..... its successors and permitted assigns) of the **SECOND PART**

WITNESSETH

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

### 4.1. CONDITIONS PRECEDENT

The obligations of the seller to sell and deliver and for the buyer to purchase coal pursuant to this Agreement shall become effective on the date when the seller has established the Performance Security in accordance with Clause 2.13.8. and 3.17

### 4.2. TERM OF THE AGREEMENT

The term of the Agreement shall be for a period commencing on the date of the Agreement and ending, unless terminated earlier in accordance with the provisions of the Agreement, on the date which falls 120 days after the date of the unloading completion of the last shipment of the contract.

Extension beyond the end of the Agreement shall be subject to the mutual written agreement of the Parties, such agreement to have been reached not later than 90 days before the Agreement expiry date.

### 4.3. DOCUMENTS CONSTITUTING THE COAL SUPPLY AGREEMENT

The Following documents shall be deemed to form this agreement and the priority of the documents shall be in accordance with the following sequence.

- (a) This Contract Agreement and the Addendums hereto.
- (b) Performance Security for this contract
- (c) The Letter of Award dated *dd mm 2026* and its acknowledgement dated *dd mm 2026*
- (d) The Power of Attorney given the seller to authorize the personal to represent the company for signing the Contract
- (e) Minutes for Pre-Bid meeting held on *dd mm 2026*
- (f) The complete set of Procurement Document invited through email by the LCC on *dd mm yyyy*
- (g) the bids including Price proposal submitted by you (Bidders name) dated *dd mm yyyy* dully signed by Bidder’s authorized signatory including Amendments & Clarification issued, if any
- (h) Sellers nominated bank details followed by the Board Resolution of the company.

These documents collectively shall be referred to as the Agreement.

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

### 4.4. DETERMINATION AND ADJUSTMENT OF PRICE OF COAL AND FREIGHT

#### 4.4.1 Initial Base Price

The Initial Base Price of the Coal (the “Base Price”) shall be the SHLPC Awarded Seller’s Base Price comprising the Free on Board (FOB) price and Freight component, as set out below:

**USD \_\_\_\_\_ per metric ton**

(In words: \_\_\_\_\_ )

The above Base Price is established against LCC’s Standard Value for Coal as defined in Clause 5.1 of the Schedules to this Agreement.

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- *Base FOB Price:*
- *Base Freight Rate:*
- *Multiplication Factor = .....(Upto 3<sup>rd</sup> decimal)*

Payment shall be made strictly in accordance with Clause 3.6.1 (Payment Terms) of Section 03 – Conditions of Contract of this Agreement.

**4.4.2 Price Variation and Adjustments**

The Initial Base Price shall be subject to variation pursuant to Clauses 5.4.1 and 5.4.2 of the Schedules and shall be further adjusted in accordance with Clause 5.5 of the Schedules to account for deviations from the Standard Values specified in Clause 5.1 of the Schedules.

In the event that the coal quality analysis report issued at the discharge port results in rejection of the cargo, the price shall be further adjusted strictly in accordance with Clause 5.6 of the Schedules, without prejudice to any other rights or remedies available to the Buyer under this Agreement.

**4.5. DELIVERY SCHEDULE REFERENCE - AS MENTIONED IN CLAUSE 2.7**

**4.6. WARRANTIES AND COVENANTS**

**4.6.1. Warranties by Seller**

The Seller hereby represents and warrants to the Buyer that:

- (a) It is a duly incorporated company with limited liability, validly existing and in good standing under the laws of [insert country of incorporation of the company]
- (b) The execution, delivery and performance of this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action. This Agreement constitutes valid and legally binding obligations of the Seller, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and general principles of equity.
- (c) Neither the execution and delivery of this Agreement nor the performance of its obligations hereunder does or will:
  - (i) contravene any applicable law binding on it or its assets;
  - (ii) violate its constitutional documents; or
  - (iii) result in a breach of, or constitute a default under, any agreement or instrument to which it is a party or by which it is bound.

- (d) It will have good and marketable title to the entire quantity of Coal, free from all liens, security interests and adverse claims, at the time title passes to the Buyer pursuant to Clause 5.8 or 5.9.
- (e) It has obtained, and shall maintain, all licenses, permits, approvals, certificates, export authorizations and other documents necessary to sell and Deliver the Coal in accordance with this Agreement.
- (f) It possesses the necessary experience, technical capability and resources to perform its obligations under this Agreement in a professional and commercially reasonable manner.

**4.7. NOTICES**

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

To Seller .....

.....

.....

To Buyer: Lanka Coal Company (Private) Limited,  
 51/3, Suranimala Place, Off-Dutugemunu Street,  
 Kohuwala/Dehiwala, 10350, Sri Lanka  
 Postal Code: 10350  
 Telefax: +94112824689

**4.8. ENTIRE AGREEMENT**

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

**4.9. SEVERABILITY**

In the event any of the provisions of the Agreement shall held to be illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of the Agreement shall not in any way, be affected or impaired thereby.

**IN WITNESS WHEREOF**, the Parties have caused this Coal Supply Agreement to be duly executed by their respective authorized representatives.

**FOR BUYER:**

**FOR SELLER:**

1. LANKA COAL COMPANY (PVT) LTD.

2. ....

By:  
Name: .....  
Title:  
Date:  
Place:

By:  
Name: .....  
Title:  
Date:  
Place:

**WITNESSED:**

**WITNESSED:**

By:  
1.  
\_\_\_\_\_

By:  
1.  
\_\_\_\_\_

Name:  
2.  
\_\_\_\_\_

Name:  
2.  
\_\_\_\_\_

Name:

Name:

**End of Section 4**

INFORMATION COPY

**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
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INFORMATION COPY

## 5. SCHEDULES

### COAL SPECIFICATION

#### 5.1. LCC STANDARD VALUES FOR COAL

The Lakvijaya Power Plant will be operated as a base load unit, fueled by low Sulphur coal having standard properties (the LCC Standard Values) given below.

PARAMETER	UNIT	PROXIMATE ANALYSIS AS RECEIVED BASIS
GCV (kcal/kg)	kcal/kg	6,150
Total Moisture	% wt	12.0 or below
Volatile Matter	% wt	31
Fixed Carbon	% wt	49.5
Sulphur	% wt	0.5 or below
Ash	% wt	11.0 or below
HGI	° H	50
Grain Size above 50 mm	% wt	3.0% or below by weight
Grain Size below 2 mm	% wt	22.5% or below by weight
<b>ASH FUSION ( °C)</b>		
IDT (Deformation)	° C	1250 or above
F.T (Fluid)	° C	1325 or above

**5.2. LCC MINIMUM AND MAXIMUM QUALITY LIMITS FOR COAL***Proximate analysis - as received basis (ARB)*

Parameters	UNIT	Minimum Value	Standard Value (as per clause 5.1)	Maximum Value
Gross Calorific Value (GCV)	kcal/kg	5900	6150	-
Total Moisture	% wt	-	12.0	16.0
Ash Content	% wt	-	11.0	16.0
Volatile Matter	% wt	22.0	31.0	39.9
Sulphur Content	% wt	-	0.5	01
HGI	° H	40.0	50.0	59.0
Grain Size Consist:				
a) Above 50 mm	% wt	-	03	05
b) Below 2 mm	% wt		22.5	30
Ash Fusion Temperature R				
IDT (Deformation)	° C	1150	1250	-
F.T (Fluid)	° C	1250	1325	

*Note: R equals Reducing Atmosphere*

### 5.3. APPROVED MEASUREMENT STANDARDS

#### AMERICAN SOCIETY FOR TESTING AND MATERIALS (ASTM)

	ASTM Standard Number
<b>Sampling</b>	D 2013 D 2234 D 7430
<b>Total Moisture</b>	D 3302
<b>Proximate Analysis</b>	
Moisture of Analysis Sample	D 3173
Fixed Carbon	D 3172
Ash	D 3174
Volatile Matter	D 3175
Gross Calorific Value	D 5865
Hardgrove Grindability Index	D 409
Ash Fusion Characteristics	D 1857
Size Consist	D 4749
<b>Ultimate Analysis</b>	
Carbon	D 3178, D 5373
Hydrogen	D 3178, D 5373
Nitrogen	D 3179, D 5373
Total Sulphur	D 3177, D 4239
Oxygen	D 3176, D 5373
<b>Ash Analysis</b>	
Silicon	D 4326
Aluminum	D 4326
Iron	D 4326
Calcium	D 4326
Magnesium	D 4326
Sodium	D 4326
Potassium	D 4326
Phosphorus	D 4326
Titanium	D 4326
Manganese	D 4326
Sulphur	D 1757

**Note:** or latest revised/ equivalent test adopted by ASTM

## 5.4. PRICE VARIATION FOR FOB AND FRIGHT COMPONENT

### 5.4.1. Index Price Adjustment

For the relevant shipment, initial base (FOB) price shall be varied as given below.

- **Payment adjustment based on monthly International Coal Indexes**

The price of each shipment of coal shall be calculated using the equation 5.4.1.(a) given below. Based on the composite index formula given in the equation 5.4.1 (b). Monthly published **South African Coal Index (API 4), Indonesian Coal Index (ICI 1 and ICI 2), and Russian Coal Index for Taman and Vostochny (RCI) Coal indexes** (in USD) listed below by Argus Media website, [www.argusmedia.com](http://www.argusmedia.com) shall be used as the indexes for all shipments in this tender.

*Note: The above indices of the respective loading port regions are considered to calculate the composite index.*

The composite index shall be calculated using a composite index derived from the South African Coal Index (API 4), Indonesian Coal Index (ICI 1 and ICI 2), and Russian Coal Index for Taman (RCIT) and Vostochny (RCIV) Coal indexes (in USD). The composite index shall be derived using the equation 5.4.1.(b) given below

Indices	Description
API 4	FOB Richards Bay, South Africa index (monthly average) for NAR 6000 kcal/kg in USD/MT
ICI 1	FOB Indonesian Index (Monthly average) for ICI 1, GAR 6500 / NAR 6200 kcal/kg in USD / MT
ICI 2	FOB Indonesian Index (Monthly average) for ICI 2, GAR 5800 / NAR 5500 kcal/kg in USD / MT
RCIT	FOB Russian Index for Taman (Monthly average) for NAR 6000 kcal/kg USD/ MT
RCIV	FOB Russian Index for Vostochny (Monthly average) for NAR 6000 kcal/kg USD/ MT

**(a) Price Adjustment Formula**

$$(\text{FOB})_f = \frac{(\text{FOB})_i}{(\text{INDEX})_o} \times (\text{INDEX})_n$$

**(b) Composite Index Formula (INDEX)**

$$\text{INDEX} = \frac{\text{API 4} + \{(\text{ICI 1} + \text{ICI 2}) / 2\} + \{(\text{RCIT} + \text{RCIV}) / 2\}}{3}$$

(FOB) <sub>f</sub>	FOB Trimmed price per MT of Coal paid for the shipment after index adjustment in USD.
(FOB) <sub>i</sub>	Awarded FOB Trimmed price per MT of coal in USD.
(INDEX) <sub>o</sub>	Composite index value in USD for the month prior to the month of <b>bid closing date</b> (calculated using the equation 5.4.1 (b)).
(INDEX) <sub>n</sub>	Composite index value in USD for the preceding month from the date of BL ( <b>Bill of Lading</b> ) of the relevant shipment shall be a composite index, calculated using the equation 5.4.1 (b)]

**5.4.2. Freight Adjustments (F<sub>f</sub>)**

For the relevant shipment, initial base Freight price shall be varied as given below

- **Freight Adjustment Formula**

Payment adjustment for Freight - Based on bunker component 22% and Freight component 78%. Accordingly, the initial base freight rate shall be varied depending on bunker prices and ship charter rates as follows:

$$F_f = 0.22 \times F_i \times \frac{E_n}{E_o} + 0.78 \times F_i \times \frac{C_n}{C_o}$$

Where,

F	Base freight rate
E	0.5% Very Low Sulphur Fuel Oil (VLSFO) price published in the monthly PLATT's Bunker Wire Reports as the Index. For shipments from Indonesia, Far Eastern ports of Russia and Australia, Delivered Price of 0.5% Very Low Sulphur Fuel Oil (VLSFO) at Singapore shall apply.  For shipments from Richards Bay Coal Terminal, South Africa, Delivered Price of 0.5% Very Low Sulphur Fuel Oil (VLSFO) at Colombo shall apply.  For shipments from Colombia, Delivered Price of 0.5% Very Low Sulphur Fuel Oil (VLSFO) at Durban shall apply.

C	The Average Supramax / Ultramax Trip Charter Daily Earnings as per Clarkson Shipping Intelligence Weekly Reports
Suffix “i”	To denote Initial Net Base Freight Rate according to the Agreement
Suffix “f”	To denote applicable Freight Rate for the shipment
Suffix “o”	<p><b><u>as the Base Freight component (C<sub>o</sub>)</u></b> To denote mean of the Average Supramax / Ultramax Trip Charter Daily Earnings as per Clarkson Shipping Intelligence monthly average which is derive from Weekly Reports which is relevant previous month to the bid closing date,</p> <p><b><u>as the Base Bunker component (E<sub>o</sub>)</u></b> To denote mean of PLATTS Index Price (US\$) of 0.5% Very Low Sulphur Fuel Oil (VLSFO) at relevant regional monthly index, which is relevant previous month to the Bid closing date,</p>
Suffix “n”	<p><b><u>as the Base Freight component (C<sub>n</sub>)</u></b> To denote mean of the Average Supramax/Ultramax Trip Charter Daily Earnings as per Clarkson Shipping Intelligence Weekly Reports which also relevant as applicable for the preceding month from the date of Bill of Lading of the relevant shipment.</p> <p><b><u>as the Base Bunker component (E<sub>n</sub>)</u></b> To denote mean of PLATTS Index Price (US\$) of 0.5% Very Low Sulphur Fuel Oil (VLSFO) at Singapore or Colombo or Durban as applicable for the preceding month from the date of Bill of Lading of the relevant shipment.</p>

## 5.5. QUALITY PRICE ADJUSTMENTS

The index adjusted (FOB)<sub>f</sub> price shall be re-adjusted according to the Coal Quality adjustments as mentioned below, if not falling under 3.4.3.(a). The quality adjustment parameters are based on the proximate analysis “*as received basis*”.

- (i) When preparing the **invoice for the 80% payment**, the **Load Port** quality analysis certificate and weight certificate should be considered.
- (ii) When preparing the **Final invoice** for the balance payment, the **Discharge port** quality analysis certificate and weight certificate should be considered.

LCC standard values are mentioned in the **Clause 5.1 of Section 5**

### 5.5.1. Gross Calorific Value as received - (GCVar)

In the event the actual GCVar of a given shipment of Coal is less than the LCC Standard Value for GCVar, the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 1.25 \right] \left( \frac{\text{LCC Standard value} - \text{Actual Value}}{\text{LCC Standard Value}} \right) \right\}$$

#### Specimen Calculation

Example - Assumed (FOB)<sub>f</sub> is 100 USD per MT and Actual GCVar = 6000

$$\begin{aligned} (-) \text{ Price Adjustment} &= 100 \times 1.25 \times \frac{(6150 - 6000)}{6150} \\ &= \underline{\underline{3.05 \text{ USD/MT}}} \end{aligned}$$

No price adjustment shall be applied in case of measured GCVar above the LCC Standard value of 6150 kcal/kg

### 5.5.2. Sulphur Content

In the event the actual Sulphur percentage of a given shipment is greater than the LCC Standard Value for Sulphur percentage but within LCC Reject Value then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.02 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

#### Specimen Calculation

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual Sulphur is 1%

$$(-) \text{ Price Adjustment} = 100 \times 0.02 \times \frac{(1 \% - 0.5 \%)}{0.5 \%} = \underline{\underline{2.0 \text{ USD/MT}}}$$

No price adjustment shall be applied in case of measured Sulphur percentage is less than the LCC standard value of 0.5%.

### 5.5.3. Ash Content

In the event the actual ash percentage of a given shipment is greater than the LCC Standard Value for ash percentage then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.088 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

#### Specimen Calculation

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual Ash % is 16%

$$(-) \text{ Price Adjustment} = 100 \times 0.088 \times \frac{(16 \% - 11 \%)}{11 \%} = \underline{\underline{4.0 \text{ USD/MT}}}$$

No price adjustment shall be applied in case of measured ash content below the LCC Standard Value of 11%.

**5.5.4. Moisture Content**

In the event the actual total moisture percentage of a given shipment is greater than the LCC Standard Value for total moisture percentage then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula.

TM – Total Moisture

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.24 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

**Specimen Calculation**

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual TM is= 16 %

$$(-) \text{ Price adjustment} = 100 \times 0.24\% \times \frac{(16\% - 12\%)}{12\%} = \underline{\underline{8.0 \text{ USD/MT}}}$$

No price adjustment shall be applied in case of measured total moisture content below the LCC Standard Value of 12%.

**5.5.4.1. Excess Water Content in Cargo Holds at Discharge Port**

In the event excess water found due to clause 3.4.3 (c) then the Price of that shipment of Coal shall be reduced by USD 4 per MT of bilge water in accordance with the following formula.

$$\text{Price Adjustment} = [ \text{Excess water found in MT} \times (\text{CFR})_f \text{ price per MT} ] \times 4$$

**Specimen Calculation**

Example - Assumed  $(\text{CFR})_f$  is 110 USD per MT and excess water found is 5MT

$$\begin{aligned} (-) \text{ Price adjustment} &= [5 \times 110] \times 4 \\ &= \underline{\underline{2,200 \text{ USD}}} \end{aligned}$$

**5.5.5. Grain Size.****5.5.5.1. Grain Size above 50mm**

In the event, for a given shipment of Coal, the actual percentage of grain size exceeds the LCC Standard Value for Grain Size above 50mm by weight (3%), then the Price shall be reduced in accordance with the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.0015 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

Specimen Calculation

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual % above 50mm size is = 5%

$$(-) \text{ Price Adjustment} = 100 \times 0.0015 \times \frac{(5\% - 3\%)}{3.0\%} = \underline{\underline{0.1 \text{ USD/MT}}}$$

No price adjustment shall be applied in case of measured grain size 50 mm less than the LCC Standard value of 3%.

**5.5.5.2. Grain Size below 2mm**

In the event, for a given shipment of Coal, the actual percentage of grain size less than 2 mm exceeds the LCC Standard Value of 22.5% by weight, then the unit Price shall be reduced in accordance with the following formula.

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.225 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

Specimen Calculation

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual % of less than 2mm size is = 30 %

$$(-) \text{ Price Adjustment} = 100 \times 0.225 \times \frac{(30\% - 22.5\%)}{22.5\%} = \underline{\underline{7.50 \text{ USD/MT}}}$$

No price adjustment shall be applied in case of measured grain size 2mm is less than the LCC **Standard** Value of 22.5%.

**5.5.6. Volatile Matter**

In the event, for a given shipment of coal, the actual Volatile Matter percentage between 25 and 35 by weight (including 25 and 35) there will be no penalty for a shipment of Coal.

**5.5.6.1. Volatile Matter less than 25% by weight**

In the event, the actual Volatile Matter percentage of a given shipment is less than 25% by weight, then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula.

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.1 \right] \left( \frac{\text{LCC Standard Value \%} - \text{Actual Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

Specimen Calculation

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual Volatile Matter 22 %

$$(-) \text{ Price Adjustment} = 100 \times 0.1 \times \frac{25\% - 22\%}{25\%} = \underline{\underline{1.2 \text{ USD/MT}}}$$

**5.5.6.2. Volatile Matter greater than 35% by weight**

In the event, the actual Volatile Matter percentage of a given shipment is greater than 35% by weight, then the Price of that shipment of Coal shall be reduced by an amount in accordance with the following formula.

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.35 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\}$$

Specimen Calculation

Example - Assumed  $(\text{FOB})_f$  is 100 USD per MT and Actual Volatile Matter is 39.9 %

$$(-) \text{ Price Adjustment} = 100 \times 0.35 \times \frac{39.9\% - 35\%}{35\%} = \underline{\underline{4.90 \text{ USD/MT}}}$$

**5.6. METHOD OF QUALITY PRICE ADJUSTMENT IN CASE OF REJECTION OF COAL QUALITY ANALYSIS REPORT OF A SHIPMENT AT THE DISCHARGE PORT AS PER CLAUSE 3.4.3 (b).**

LCC STANDARD VALUES are mentioned in the **Clause 5.1** and **LCC MINIMUM AND MAXIMUM QUALITY LIMITS FOR COAL** are mentioned in the **Clause 5.2**.

In the event the parameters listed in the “clause 5.2, **LCC Minimum and Maximum Quality Limits for Coal**” of the coal shipment falls outside the LCC Minimum and Maximum values as per the Discharge Port quality Certificates, LCC shall reduce the price as per formulas given below.

- $CFR_f = FOB_f + F_f$  (adjusted freight price)

**5.6.1. Gross Calorific Value - (GCVar)**

In the event of the actual GCV value of a given discharge port quality analysis certificate of a shipment is less than the LCC minimum Value (5900 Kcal), then the coal price shall be adjusted (reduced) according to the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (FOB)_f \times 1.25 \right] \left( \frac{\text{LCC Standard value} - \text{LCC Minimum Value}}{\text{LCC Standard Value}} \right) \right\} + \left\{ \left[ (CFR)_f \times 1.25 \right] \left( \frac{\text{LCC Minimum Value} - \text{Actual Value}}{\text{LCC Standard Value}} \right) \right\} \times 2$$

Specimen Calculation

Example - Assumed

- \*  $(FOB)_f$  Price = 100 USD per MT
- \*  $(CFR)_f$  Price = 110 USD per MT
- \* Actual GCVar = 5850 Kcal

$$(-) \text{ Price Adjustment} = \left\{ 100 \times 1.25 \times \frac{(6150 - 5900)}{6150} \right\} + \left\{ 110 \times 1.25 \times \frac{(5900 - 5850)}{6150} \right\} \times 2$$

$$\text{Total} = 5.08 + 2.24 = \underline{\underline{7.32 \text{ USD/MT}}}$$

### 5.6.2. Sulphur Content (S)

In the event of the actual Sulphur content of a given discharge port quality analysis certificate of a shipment is greater than the LCC Maximum Value (>1%), then the coal price shall be adjusted (reduced) according to the following formula:

$$\text{Price Adjustment} = \left\{ [ (\text{FOB})_f \times 0.02 ] \left( \frac{\text{LCC Maximum Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\} + \left\{ [ (\text{CFR})_f \times 0.02 ] \left( \frac{\text{Actual Value \%} - \text{LCC Maximum Value \%}}{\text{LCC Standard Value \%}} \right) \right\} \times 4$$

#### Specimen Calculation

Example - Assumed

- \* (FOB)<sub>f</sub> Price = 100 USD per MT
- \* (CFR)<sub>f</sub> Price = 110 USD per MT
- \* Actual Sulphur content = 1.1%

$$(-) \text{ Price Adjustment} = \left\{ 100 \times 0.02 \times \frac{(1.0\% - 0.5\%)}{0.5\%} \right\} + \left\{ 110 \times 0.02 \times \frac{(1.1\% - 1\%)}{0.5\%} \right\} \times 4$$

$$\text{Total} = 2.00 + 1.76 = \underline{\underline{3.76 \text{ USD/MT}}}$$

### 5.6.3. Ash Content

In the event of the actual Ash content of a given discharge port quality analysis certificate of a shipment is greater than the LCC Maximum Value (16%), then the coal price shall be adjusted (reduced) according to the following formula:

$$\text{Price Adjustment} = \left\{ [ (\text{FOB})_f \times 0.088 ] \left( \frac{\text{LCC Maximum Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\} + \left\{ [ (\text{CFR})_f \times 0.088 ] \left( \frac{\text{Actual Value \%} - \text{LCC Maximum Value \%}}{\text{LCC Standard Value \%}} \right) \right\} \times 2$$

#### Specimen Calculation

Example - Assumed

- \* (FOB)<sub>f</sub> Price = 100 USD per MT
- \* (CFR)<sub>f</sub> Price = 110 USD per MT
- \* Actual Ash content = 17%

$$(-) \text{ Price Adjustment} = \left\{ 100 \times 0.088\% \times \frac{(16\% - 11\%)}{11\%} \right\} + \left\{ 110 \times 0.088\% \times \frac{(17\% - 16\%)}{11\%} \right\} \times 2$$

$$\text{Total} = 4.00 + 1.76 = \underline{\underline{5.76 \text{ USD/MT}}}$$

**5.6.4. Moisture Content (TM)**

In the event of the actual total moisture (TM) percentage of a given discharge port quality analysis certificate of a shipment is greater than the LCC Maximum Value (16%), then the coal price shall be reduced according to the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.24 \right] \left( \frac{\text{LCC Maximum Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\} + \left\{ \left[ (\text{CFR})_f \times 0.24 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Maximum Value \%}}{\text{LCC Standard Value \%}} \right) \right\} \times 2$$

Specimen Calculation

Example - Assumed

\* (FOB)<sub>f</sub> Price = 100 USD per MT

\* (CFR)<sub>f</sub> Price = 110 USD per MT

\* Actual Moisture content = 17%

$$\begin{aligned} (-) \text{ Price Adjustment} &= \left\{ 100 \times 0.24 \times \frac{(16\% - 12\%)}{12.0\%} \right\} + \left\{ 110 \times 0.24 \times \frac{(17\% - 16\%)}{12.0\%} \right\} \times 2 \\ &= 8.0 + 4.40 = \underline{\underline{12.40 \text{ USD/MT}}} \end{aligned}$$

**5.6.5. Grain Size.****5.6.5.1. Grain Size above 50mm**

In the event of the actual percentage of grain size above 50 mm of a given discharge port quality analysis certificate of a shipment is greater than the LCC Maximum Value (5.0%), then the coal price shall be reduced according to the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.0015 \right] \left( \frac{\text{LCC Maximum Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\} + \left\{ \left[ (\text{CFR})_f \times 0.0015 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Maximum Value \%}}{\text{LCC Standard Value \%}} \right) \right\} \times 2$$

Specimen Calculation

Example - Assumed

\* (FOB)<sub>f</sub> Price = 100 USD per MT

\* (CFR)<sub>f</sub> Price = 110 USD per MT

\* Actual Grain Size = 7.0 %

$$\begin{aligned} (-) \text{ Price Adjustment} &= \left\{ 100 \times 0.0015 \times \frac{(5.0\% - 3.0\%)}{3.0\%} \right\} + \left\{ 110 \times 0.0015 \times \frac{(7.0\% - 5.0\%)}{3.0\%} \right\} \times 2 \\ &= 0.1 + 0.22 = \underline{\underline{0.32 \text{ USD/MT}}} \end{aligned}$$

$$\text{Total} = 0.1 + 0.22 = \underline{\underline{0.32 \text{ USD/MT}}}$$

**5.6.5.2. Grain Size below 2mm**

In the event of the actual percentage of grain size below 2 mm of a given discharge port quality analysis certificate of a shipment is greater than the LCC Maximum Value (30.0%), then the coal price shall be reduced according to the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.225 \right] \left( \frac{\text{LCC Standard Value} - \text{LCC Minimum Value}}{\text{LCC Standard Value}} \right) \right\} + \left\{ \left[ (\text{CFR})_f \times 0.225 \right] \left( \frac{\text{Actual Value} - \text{LCC Minimum Value}}{\text{LCC Standard Value}} \right) \right\} \times 2$$

**Specimen Calculation**

Example - Assumed

* (FOB) <sub>f</sub> Price	= 100 USD per MT
* (CFR) <sub>f</sub> Price	= 110 USD per MT
* Actual Grain Size	= 31.0 %

$$(-) \text{ Price Adjustment} = \left\{ 100 \times 0.225 \frac{(30.0\% - 22.50\%)}{22.5\%} \right\} + \left\{ 110 \times 0.225 \frac{(31.0\% - 30.0\%)}{22.5\%} \right\} \times 2$$

$$\text{Total} = 7.50 + 2.20 = \underline{\underline{9.70 \text{ USD/MT}}}$$

**5.6.6. Volatile Matter (VM)**

In the event of a given shipment of coal, the actual Volatile Matter percentage is less than 22% or more than 39.9% by weight there will be penalty for a shipment of Coal as below.

**5.6.6.1. Volatile Matter less than 22.0% by weight**

In the event of the actual percentage of Volatile Matter (VM) of a given discharge port quality analysis certificate of a shipment is less than the LCC Minimum Value (22.0%), then the coal price shall be reduced according to the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.1 \right] \left( \frac{\text{LCC Standard Value} - \text{LCC Minimum Value}}{\text{LCC Standard Value}} \right) \right\} + \left\{ \left[ (\text{CFR})_f \times 0.1 \right] \left( \frac{\text{LCC Minimum Value} - \text{Actual Value}}{\text{LCC Standard Value}} \right) \right\} \times 2$$

**Specimen Calculation**

Example - Assumed

* (FOB) <sub>f</sub> Price	= 100 USD per MT
* (CFR) <sub>f</sub> Price	= 110 USD per MT
* Actual Volatile Matter	= 21.0 %

$$(-) \text{ Price Adjustment} = \left\{ 100 \times 0.1 \times \frac{(25.0\% - 22.0\%)}{25.0\%} \right\} + \left\{ 110 \times 0.1 \times \frac{(22.0\% - 21.0\%)}{25.0\%} \right\} \times 2$$

$$\text{Total} = 1.2 + 0.88 = \underline{\underline{2.08 \text{ USD/MT}}}$$

**5.6.6.2. Volatile Matter more than 39.9% by weight**

In the event of the actual percentage of Volatile Matter (VM) of a given discharge, port quality analysis certificate of a shipment is greater than the LCC Maximum Value (39.9%), then the coal price shall be reduced according to the following formula:

$$\text{Price Adjustment} = \left\{ \left[ (\text{FOB})_f \times 0.35 \right] \left( \frac{\text{LCC Maximum Value \%} - \text{LCC Standard Value \%}}{\text{LCC Standard Value \%}} \right) \right\} + \left\{ \left[ (\text{CFR})_f \times 0.35 \right] \left( \frac{\text{Actual Value \%} - \text{LCC Maximum Value \%}}{\text{LCC Standard Value \%}} \right) \right\} \times 2$$

**Specimen Calculation**

Example - Assumed

* (FOB) <sub>f</sub> Price	= 100 USD per MT
* (CFR) <sub>f</sub> Price	= 110 USD per MT
* Actual Volatile Matter	= 40.9 %

$$\begin{aligned} (-) \text{ Price Adjustment} &= \left\{ 100 \times 0.35 \times \frac{(39.90\% - 35.0\%)}{35.0\%} \right\} + \left\{ 110 \times 0.35 \times \frac{(40.90\% - 39.9\%)}{35.0\%} \right\} \times 2 \\ &= 4.90 + 2.2 = \underline{\underline{7.1 \text{ USD/MT}}} \end{aligned}$$

**5.6.7. Hardgrove Grindability Index (HGI)**

**5.6.7.1.** In the event the actual HGI value of a given shipment's Discharge Port / Reference Sample is greater than 59, then the Price of that shipment of Coal shall be reduced by USD 0.05 per one unit incremental of the above value as per the following formula.

Price Adjustment=	{0.05 x (Actual Value - LCC Maximum Value)}
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**Example** - Assumed HGI is 60

$$\begin{aligned} (-) \text{ Price Adjustment} &= 0.05 \times (60 - 59) \\ &= 0.05 \text{ USD/MT} \end{aligned}$$

**5.6.7.2.** In the event the actual HGI value of a given shipment's Discharge Port / Reference Sample is less than 40, then the Price of that shipment of Coal shall be reduced by USD 0.05 per one unit decrease of the above value as per the following formula.

Price Adjustment=	{0.05 x (LCC Minimum Value - Actual Value)}
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**Example** - Assumed HGI is 39

$$\begin{aligned} (-) \text{ Price Adjustment} &= 0.05 \times (40 - 39) \\ &= 0.05 \text{ USD/MT} \end{aligned}$$

**5.6.8. Ash Fusion Temperature.**

**5.6.8.1. Initial Deformation Temperature (IDT)**

In the event of the actual value of IDT of a given discharge port quality analysis certificate of a shipment is lower than the LCC Minimum Value of 1,150 then the coal price shall be reduced by USD 0.10 per one-unit decrease of the above value as per the following formula.

Price Adjustment=	{0.10 x (LCC Minimum Value - Actual Value)}
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**Example – Assumed IDT is 1,125 °C**

(-) Price Adjustment = 0.10 x (1,150 – 1,125)  
= 2.50 USD/MT

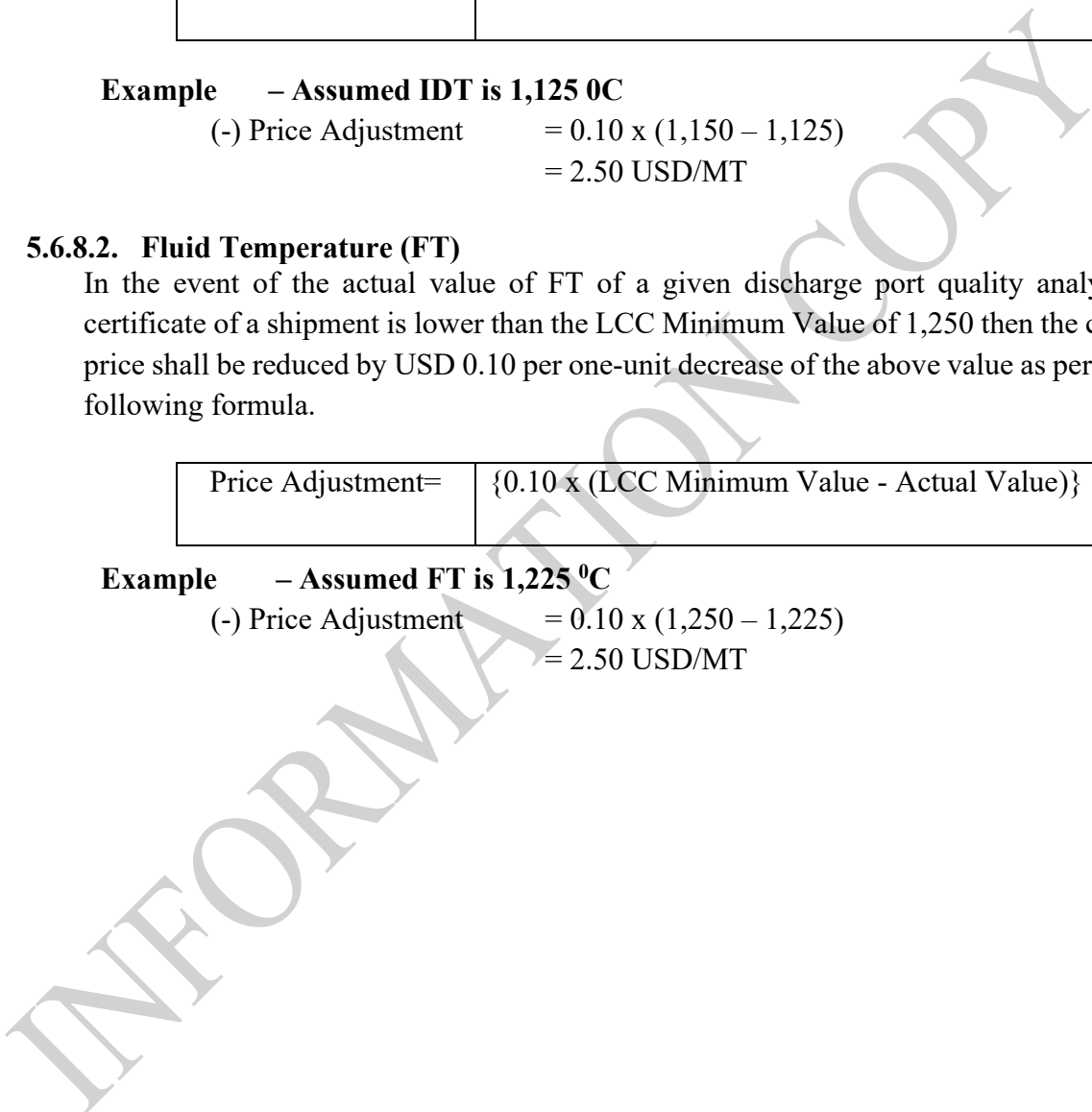
**5.6.8.2. Fluid Temperature (FT)**

In the event of the actual value of FT of a given discharge port quality analysis certificate of a shipment is lower than the LCC Minimum Value of 1,250 then the coal price shall be reduced by USD 0.10 per one-unit decrease of the above value as per the following formula.

Price Adjustment=	{0.10 x (LCC Minimum Value - Actual Value)}
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**Example – Assumed FT is 1,225 °C**

(-) Price Adjustment = 0.10 x (1,250 – 1,225)  
= 2.50 USD/MT



## 5.7 GENERAL SHIPPING TERMS

### 5.7.1. Southwest Monsoon Season (SMS)

Sri Lanka experiences annually a period of heavy rains, winds and increased wave height that can pose a potential hazard to discharging operations during the months from mid-May through mid-September. Therefore, it is expected that deliveries of Coal will be suspended during those months.

While the onset and duration of each year's SMS can vary, Buyer expects to receive the quantity ordered during an effective 7 months a year. Close cooperation between Buyer and Seller will ensure the complete and safe delivery of Coal under the Agreement.

### 5.7.2. Shipping Documents

Seller shall electronically send following shipping documents to the buyer within 5 working days after departure of each vessel from the Load Port. In the event that the Load ports/Anchorages are Indonesia then the above time shall be within 5 days after departure of each vessel from the Load Port/Anchorage.

- (a) Commercial Invoice
- (b) Bill of Lading (Single Bill of Lading (BL) per shipment is required)
- (c) Certificate of Sampling and Analysis of Quality
- (d) Draft Survey Reports
- (e) Certificate of Weight
- (f) Certificate of Hold Cleanliness
- (g) Certificate of Origin
- (h) Beneficiary's Certificate.

The Seller shall send the originals of those documents in following numbers through the Bank to Buyer.

- |   |                              |
|---|------------------------------|
| (a) Commercial Invoice                              | (2 originals + 2 copies)     |
| (b) Bill of Lading                                  | (3 originals + 3 copies)     |
| (c) Certificate of Sampling and Analysis of Quality | (2 originals +2 copies)      |
| (d) Draft Survey Reports                            | (2 originals each +2 copies) |
| (e) Certificate of Weight                           | (2 originals +2 copies)      |
| (f) Certificate of Hold Cleanliness                 | (2 originals +2 copies)      |
| (g) Certificate of Origin                           | (1 original +2 copies)       |
| (h) Beneficiary's Certificate                       | (1 original +2 copies)       |
| (i) Buyer's Letter of Confirmation / Acceptance     | (1 original +2 copies)       |

However, any cost (delay in issuing the NOR / delay in commencing the discharging operation / customs declaration and formalities but not limited to) incurred due to delay in receipt of shipping documents shall be on account of the seller.

**5.7.3. Sales Terms**

Seller shall be responsible for arrangements up to the Delivery Point in accordance with the Terms and Conditions of the Agreement FOBT basis or CFR basis by sea up to the Discharging Anchorage.

The provisions in the clause 5.8 of Section 5 shall govern the shipping arrangements on CFR basis up to the Discharging Anchorage.

The provisions in the clause 5.9 of Section 5 shall govern the shipping arrangement on FOB Trimmed basis.

**5.7.4. Vessels Nomination**

**5.7.4.1. General Specification**

- (a) Vessel name (including former name/s if any)
- (b) Age of vessel
- (c) IMO number
- (d) Vessel type, Class and Classification Society, P&I Club, year built and Flag
- (e) DWT, LOA, NRT, GRT, Beam, Draught and DWLTHC (Air Draft)
- (f) Number and capacities of Cranes and Grabs. The Crane and Grab capacities shall be minimum 30 MT and 10 CBM, respectively
- (g) Number of Holds and Hatches
- (h) ETA at load port and current position
- (i) Estimated cargo intake
- (j) Demurrage / Dispatch rate
- (k) Three-star rating Right-Ship certificate or last three (3) SOFs upon LCC request.

**5.7.4.2. Vessels Specification**

The Vessels to be nominated by Seller shall be single -deck and of suitable size to lift the agreed cargo parcel size (of 60,000 MT +/-10% at buyer’s option) between the Buyer and Seller, aged less than 15 years, tight, staunch, strong and in every way fitted for the voyage, and shall be geared and grabbed (with hydraulic grab bucket or superior type). Oil/Bulk/Ore combined carrier is not acceptable. In case the Vessel has any problem incurred due to Vessel's equipment, it is the Seller's responsibility for the time / cost required to settle such problem.

**5.7.4.3. Demurrage Rate**

The Demurrage Rate declared by the Seller for each Vessel / shipment at the time of nomination of the Vessel shall be consistent with the Shipping Intelligence Weekly Reports published by Clarkson Research Services Limited.

The declared Demurrage Rate shall not exceed the Average Trip Charter Rate per day for Supramax/Ultramax vessels as reported in the Shipping Intelligence Weekly Reports published by Clarkson Research Services Limited, being the charter market index (Average Weekly Supramax/Ultramax Earnings) published for the week immediately preceding the vessel nomination date, or the latest available relevant index at that time.

For the purposes of determining the applicable demurrage rate under this Clause, the reference vessel category shall be Supramax/Ultramax regardless of the actual size or type of Vessel nominated by the Seller.

Standard Details of vessels are as indicated below;

Vessel Type	DWT /MT
Supramax	54,000 - 61,000
Ultramax	61,001 - 66,000

#### 5.7.4.4. Protection and Indemnity (P&I) and Hull & Machinery

The performing Vessel shall have the necessary Protection and Indemnity (P&I) Insurance covering following liabilities acceptable to the Sri Lanka Ports Authority or any other relevant local authority(s);

- **P & I**

- a) Wreck removal
- b) Port / Jetty property damages liabilities
- c) Oil pollution
- d) Crew liabilities
- e) Cargo liabilities
- f) Third-party liabilities

- **Hull & Machinery**

Failure to meet the one or many of the above conditions and Hull & Machinery cover shall be considered as fundamental breach or default of the Agreement.

#### 5.7.4.5. Procedure for Acceptance, Rejection, and Substitution of Vessels

The Buyer shall, within one (01) working day after receipt of such notice, confirm the acceptance of the nominated vessel to the Seller by the buyer and stevedore/lightering partner.

In the event the Buyer and stevedore/lightering partner decides to reject the nomination, due to non-compliance with one or more of the conditions set out in clause 5.7.4, the rejection shall be informed stating the reason for such rejection of the nominated vessel, within 01 working day after the receipt of the nomination.

In the event the Seller requests to nominate the same vessel, they shall justify the vessel's previous performance and condition. The acceptance or conditional acceptance of such vessel shall be at the sole discretion of the Buyer.

After the receipt of the rejection intimation from Buyer, Seller shall nominate another suitable vessel (within one (01) working day) promptly.

Buyer and stevedore/lightering partner shall confirm acceptance of the newly nominated vessel within one (01) working day, subject to compliance with the 5.7.4 above, after receipt of such fresh nomination from the Seller.

The Seller shall have the right to substitute the vessel accepted by the Buyer, if the need arises. However, seller should ensure that the substitute vessel should meet the criteria set out in the 5.7.4 above.

**5.7.4.6. Minimum Vessel Discharge Rate Requirement**

The Vessel shall discharge coal into the Self-Propelled Barges (SPBs) at a minimum rate of 10,000 MT per Weather Working Day (24 consecutive hours, including Saturdays, Sundays, and Holidays – pwwd 24hr sshinc).

In the event that the Vessel fails to achieve the minimum discharge rate due to vessel performance, the Seller shall be liable to pay a penalty of USD 500 per day, calculated on a pro-rata basis, to cover costs incurred from idling of the unloading jetty and any resulting delay in the unloading of subsequent vessels.

Such failure shall not prejudice or limit LCC's rights under Clause 5.8.1.3(f).

Notwithstanding anything to the contrary herein, the penalty shall apply only to delays directly attributable to vessel performance, and shall be without prejudice to any other rights or remedies available to LCC under the Agreement.

**5.7.4.7. Guaranteed Minimum Discharge Rate at Anchorage and LVPP Jetty**

The Buyer shall guarantee minimum Discharge Rate of 10,000 MT pwwd 24 consecutive hrs sshinc at the anchorage and discharge rate of 13,200 of pwwd 24 consecutive hrs sshinc at the Jetty of the LVPP.

**5.7.4.8. Compliance with Marine Regulations**

The Seller shall ensure that the performing Vessel shall comply with all applicable laws and regulations such as International Convention for the Prevention of Pollution (MARPOL), International Ballast Water Management Convention etc. whether promulgated by governmental authorities or by authorized private organization (s) of the Terminals at which she calls.

In the Event the vessel fails to comply, the Seller shall be liable for all losses, expenses and responsibilities thus incurred and shall indemnify and defend Buyer, its agents, officers and employees against, and shall hold them free and harmless from, any and all losses, expenses, liabilities and claims of any kind and character arising from the failure on the part of the Vessel, her master and crew to comply with any such laws and regulations.

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## 5.8. SHIPPING TERMS ON CFR BASIS UP TO THE DISCHARGING ANCHORAGE

The following provisions shall govern the shipping arrangements on CFR terms up to the Discharging Anchorage:

- (a) Delivery Terms shall be 'Free-Out' basis.
- (b) Delivery Shall be according to the Delivery schedule of the Clause 2.7 of the Section 2.

### 5.8.1. Seller's Responsibilities

#### 5.8.1.1. Vessel Nominations

- a) All vessel nominations by seller shall be as per specifications and conditions set out in clause 5.7.4.

#### 5.8.1.2. Loading Arrangements at the Port of Loading

- i. In the event of a Vessel is being loaded during a time of precipitation, Seller shall ensure that the shipmaster closes all cargo holds.
- ii. In the event the vessel nominated by the Seller (CFR) and accepted by the Buyer is loaded below 54,000 metric tons (60,000MT -10%), in such condition, two times of the CIF value per metric ton (MT) in to the total minus (below the approved minimum) quantity of shipment at jetty (CFR) will be deducted from the first 80% payment of the shipment.

**Price Adjustment = [2 x CIF Value per MT (54,000 MT- Actual Quantity)]**

Example:

*Assumed:*

*CIF Value per MT* = USD 100  
*Actual Quantity loaded* = 53,500MT

*Price Adjustment per shipment* = 2 x 100 (54,000 -53,500)  
 = USD 100,000

- iii. In the event the vessel nominated by the Buyer (FOB) and accepted by the Seller is loaded below 54,000 metric tons (60,000MT +/- 10%), such condition, two times the CIF value per metric ton (MT) up to the jetty of the power plant of the shipment will be deducted from the first 80% payment of the shipment for the less quantity as per below.

- iv. Seller shall ensure that the master loads the cargo into the holds as evenly as possible as per agreed pre stowage plans and acts in accordance with the International Marine Organization (IMO) regulations, recommendations and memoranda whatsoever prepared by IMO or other international organization or Protection and Indemnity Clubs or any governmental agencies, and takes necessary measures to prevent the cargo from overheating.
- v. Seller shall also be responsible for proper trimming and stowage of cargo to the satisfaction of the shipmaster.
  - a. As soon as possible after the completion of loading of the Vessel, Seller shall inform Buyer by email or telefax the tonnage of Coal loaded, time of completion of loading, departure time from the Port of Loading and estimated time of arrival (ETA) at the anchorage at the discharge port.
  - b. Thereafter Seller shall ensure that the master of the Vessel provides by email not less than seven (07), five (05) and three (03) days' notice, and not less than twenty-four (24), eight (08), three (03) and one (01) hours' notice of the Vessel's estimated time of arrival at the discharging anchorage at the port of Puttalam.
  - c. In approaching Discharging Anchorage at the port of Puttalam the Master shall keep at least 30 km off the Western coastal line of Sri Lanka. This distance needs to be maintained up to the anchoring point since Fishery Harbors are located along this line and fishermen frequently utilize this area for fishing activities.

**5.8.1.3. Discharging Terms and Conditions**

- a. The Master of the vessel shall tender the Notice of Readiness (NOR) at any time, day or night, including Saturdays, Sundays, and public holidays, by email or telefax, once the vessel has safely dropped anchor at the designated Puttalam Anchorage and is fully ready to discharge cargo, regardless of customs clearance or free pratique granted, and shall submit the NOR to the Agent/CSC, with a copy to the Buyer and Seller, to facilitate arrangements for cargo discharge. At the time of tendering the NOR, the Master shall also provide the Cargo Hold Bilge Water Pumping Log Sheet Report, covering the sea passage from the load port to the discharge port.

For NOR purposes, in the event a vessel tenders NOR without having the International Ship Port Facility Security (ISPS) clearance, then NOR shall be re-tendered once ISPS clearance is received.

- b. The seller shall maintain a gap of 4 to 5 days between the arrival of each vessel, based on the committed discharge rate of 10,000 MT PWWD and an allowed turn time of 12 hours, to avoid vessel bunching.

In the event of vessel bunching or delays, the Notice of Readiness (NOR) for the next arriving vessel at Puttalam Anchorage shall be tendered on a first-come, first-served basis, only after the completion of discharge operations of the preceding vessel.

In the event of vessel maintain a gap of 4 to 5 days between arrival of each vessel, the Notice of Readiness (NOR) for the next arriving vessel at Puttalam Anchorage shall be tendered on a first-come, first-served basis.

- c. Laytime shall commence after the turn time of twelve (12) consecutive hours after NOR is tendered by the Master subject to all clearances granted by competent authorities to commence discharging otherwise turn time shall be extended accordingly. However, if discharging is commenced before the expire of turn time of 12hours period, laytime shall commence to count from the time of commencement of discharging proportionate to the number of gangs worked. Prorating of the laytime used to the number of gangs worked shall be within the Turn Time of 12hours only.
- d. Laytime or time on demurrage shall cease to count at the time cargo discharging at the anchorage is completed.
- e. In the event the Master is advised by the CSC to wait at the safety location of Puttalam Out Port Limit (OPL) due to vessel bunching, delays in shipping documents, or poor performance of ongoing vessels, the Master shall tender the Notice of Readiness (NOR) only upon anchoring at the designated Puttalam Anchorage, in accordance with the vessel arrival schedule provided at the time of contract award.
- f. First come first serve basis will be applicable for discharging cargo at Puttalam Anchorage and one vessel is allowed to discharge accordingly. However, seller and buyer can mutually decide the discharging vessel or shifting of gangs to next waiting vessel as necessary in case if required.
- g. In the event vessel is arriving at anchorage after 1600hrs and if officers (Customs, Immigration, Port health Officer, Agent and Draft Surveyor) are unable to get onboard the vessel due to safety reason after 1600hrs, turn time shall be extended till Free Pratique granted on next day at earliest time.
- h. Hatches opening time and grabs connecting time are on seller's account. In the event hatches opening and grabs connecting times are made after 12 hrs turn time or 12 hrs extended time.
- i. Middle bollards on deck no 03 are required to secure barges at anchorage. In the event middle bollard is not available, sellers should allow buyer to fix middle bollards on the dec no 3, time required for fixing middle bollards is on seller's account.

- j. Departure documents (SOF, daily discharging reports, cargo holds bilge water ROB and bought notes etc.) to be completed within 02hrs after completion of discharging and final draft survey.
- k. In the event discharging is not completed before 1800 hrs, departure formalities will be carried out around 0600 hrs on next day subject to weather permitting. In such an event where discharging is completed after 1800 hrs, time upto 0600 hrs on the next day shall not be counted as laytime or time on demurrage
- l. In the event any dispute arises between Lightering partner and the Master of the vessel during discharging occurred, such disputes should be settled before completion of discharging. In the event such disputes are not settled between Master and Stevedores after discharging is completed time taken to settle disputes are not on buyer's account.
- m. In the event the Master of the vessel/ owner /charterer / receiver expects to appoint independent surveyor due to dispute with Lightering company or Stevedores, such appointment and inspections should be done before completion of discharging.
- n. In the event discharging coal quantity reduces to less than 10,000 MT per day due to sticky and jammed cargo condition then the demurrage cost incurred for both ongoing and waiting vessel shall be on seller's account, if applicable.
- o. In the event that excessive water content (including, but not limited to, sticky or jammed cargo, water-contaminated cargo, or cargo loaded under sub-zero temperature conditions) is identified in accordance with Clause 3.4.3(c), an intermediate draft survey shall be conducted to determine the quantity of water contained in the cargo. The quantity of water so determined shall be deducted in full in calculating the net weight of coal delivered for invoicing and payment purposes.

All costs and time required to carry out the intermediate draft survey shall be borne by the Seller in accordance with Clause 3.4.3(c).

In addition, the Seller shall be liable to pay a penalty equivalent to four (4) times the CFR price per metric ton of coal for each metric ton of excess water detected.

- p. In the event supplies (provisions, ship stores etc.) are made to the vessel at the discharging anchorage of Puttalam concurrently during discharging of Coal without disruption to the cargo discharging operations.

**5.8.1.4. Laytime Adjustment for Ship's Crane Breakdowns**

Duration of breakdown of ship's cranes during discharging operations shall not count as laytime. The effect on laytime due to the breakdown of ship's cranes shall be calculated on a pro rata basis in accordance with the number of ship's cranes in breakdown in proportion to the total number of ship's cranes. In the event break down ship's cranes are repaired

and provided during the discharging process, laytime shall continue to count based on the number of working holds/cranes available until the completion of discharge operations.

Crane/ Cranes out of order records (crane break down/ crane power failure/ grabs issues etc.,) mentioned in the SOF of senior vessel/vessels shall not be counted as laytime or time on demurrage for ongoing vessel or waiting vessels, if applicable.

**5.8.1.5. Shifting of Vessel Within Discharging Anchorage**

In the event shifting within the Discharging Anchorage at the port of Puttalam area is necessary at the discretion of the seller after the vessel has anchored at the point of discharge, shifting time shall not count as laytime or time on demurrage and the costs incurred for the shifting shall be borne by the Seller. However, in the event shifting within the discharge anchorage is necessary at the discretion of the buyer then laytime shall continue.

In the event shifting is decided by both parties (Master of the vessel, Stevedore or lightering partner) to avoid vessel rolling or under water currents or high sea swell, etc. shifting time on seller’s account.

**5.8.1.6. Laytime Exceptions Due to Bad Weather Conditions**

In the event Vessel's discharging is interrupted due to bad weather (including typhoon, strong wind, raining, high wave, high sea swell, underwater current etc.), any time lost shall not count as laytime.

Bad weather records mentioned in the SOF of senior vessel/vessels (including typhoon, strong wind, raining, high wave, high sea swell, underwater current etc.), is not counted as laytime or time on demurrage for ongoing and waiting vessel/vessels.

In the event, different coal suppliers provide vessels above bad weather and crane breakdown clauses are applicable to the relevant laytime calculation.

**5.8.1.7. Exclusion of Laytime During Vessel Arrest or Detention**

In the event a Vessel is Arrested or Detained by the Authorities at the load port or discharge port, laytime shall not count from the time of such Warrant for Arrest or Detention Order is served onboard the vessel until the time of releasing the vessel from the Arrest or Detention.

**5.8.1.8. Seller’s Responsibility for Port, Customs, and Agency Charges at Discharge Port**

All charges / dues payable to Sri Lanka Port Authority, consolidated customs charges to the Sri Lanka Customs and Shipping Agency Fees at the port of discharge on Vessels and / or Coal shall be on the Seller’s account. The seller shall bear all costs related to the

Vessels up to the Puttalam Discharging Anchorage other than the cargo discharging expenses incurred within Sri Lanka.

**5.8.1.9. Seller’s Obligation to Ensure Vessel Compliance with Regulatory Authorities**

Seller shall ensure that the Master / vessel shall comply with all the Regulations of the International Maritime Organization (IMO) as well as local Regulations of the Port State Control (Director General of Merchant Shipping), Sri Lanka Ports Authority (SLPA), Marine Environment Protection Authority of Sri Lanka (MEPA), Sri Lanka Navy (SLN), Sri Lanka Customs (SLC) etc.

**5.8.1.10. Seller’s Responsibility for Arrival and Departure Formalities**

Seller shall be responsible for arranging arrival and departure formalities on arrivals and on the completion of discharging respectively.

**5.8.1.11. Seller’s Obligation to Vacate Anchorage and Liability for Delays**

All the Vessels shall vacate from the Discharging Anchorage at the port of Puttalam promptly after completion of the discharging and Departure Formalities.

In the event Seller fails to act accordingly, and such delays prevent other waiting Vessel(s) from anchoring, and which as a result adversely affects the efficient use of the Discharging Anchorage at the port of Puttalam and the Jetty, Seller shall compensate Buyer for all losses, damages, expenses and/or liability against on Buyer's prior notification and presentation of evidence of having incurred such losses, damages, expenses and/or liability caused thereby or resulting thereof. In the event the need arises to discharge other vessel(s), then without Buyer's prior notification to seller, Buyer has the right to order and to have the Vessel towed off the anchorage, at Seller's risk and expenses. Seller shall be responsible for all losses and damages incurred therefrom as a result of delay or failure.

**5.8.2. Mother Vessel Demurrage**

Notwithstanding anything to the contrary herein, and without limiting Clause 5.8.5 (Seller Liability for Discharge Demurrage), demurrage and dispatch arising from the discharge of the Vessel shall be determined in accordance with the following provisions.

**5.8.2.1. Demurrage Rate**

The Demurrage Rate applicable to each Vessel / shipment shall be the rate declared by the Seller at the time of vessel nomination in accordance with Clause 5.7.4.3 of this Agreement.

**5.8.2.2. Demurrage Calculation and Payment Terms**

In the event that the discharging of a shipment of coal is not completed before the expiry of the laytime allowed, the Buyer shall pay Demurrage to the Seller at the Demurrage Rate declared for the shipment as per the laytime calculations to be mutually agreed in accordance with the Statement of Facts (SOF) signed by the Master, Agent and the Supervisor of the Stevedoring & Lightering Contractor of the Buyer subject to vessel arrival schedule at the Puttalam Anchorage given at the time of awarding.

It is hereby confirmed that, where any delay or time lost arises from causes attributable to the Seller, the provisions of Clause 5.8.5 shall apply.

In the event the Master declines or fails to sign the Statement of Facts, the Statement of Facts issued by the port agent and the Buyer’s stevedoring or lightering contractor, supported by port records, shall be deemed valid for the purposes of laytime and demurrage calculation.

**5.8.2.3. Payment of Despatch Money for Laytime Saved**

In the event that the discharging of a shipment of coal is completed before the expiry of the laytime allowed, the Seller shall pay despatch money for all laytime saved to the stevedores (lightering service provider) through the Buyer in accordance with laytime calculations mutually agreed based on the Statement of Facts (SOF).

The basis for calculation of despatch money shall be 50% of the Demurrage Rate declared for the shipment in accordance with Clause 5.8.2.1.

**5.8.2.4. Settlement of Demurrage Claims**

All claims for demurrage in respect of the discharging of the Vessel shall be settled and paid within thirty (30) days after receipt of the invoice, except where such demurrage arises from causes attributable to the Seller, in which case Clause 5.8.5 shall apply.

**5.8.3. Compliance with Marine Regulations**

**5.8.3.1. Indemnity for Non-Compliance with Applicable Maritime Laws**

The Seller shall ensure that the performing Vessel complies with all applicable laws and regulations, including but not limited to the International Convention for the Prevention of Pollution from Ships (MARPOL), the International Ballast Water Management Convention, and any other applicable international, national, or port authority regulations, whether promulgated by governmental authorities or by authorized private organizations of the terminals at which the Vessel calls.

In the event the Vessel fails to comply, the Seller shall be liable for all resulting losses, expenses, and responsibilities and shall indemnify and defend the Buyer, its agents,

officers, and employees against, and hold them harmless from, any and all losses, expenses, liabilities, and claims arising from the failure of the Vessel, her Master, or crew to comply with such laws and regulations.

**5.8.3.2. Seller’s Liability Following Buyer’s Acceptance of Vessel Nomination**

Buyer’s acceptance of the nomination of a Vessel shall in no way relieve the Seller or its sub-sellers from responsibility for failing to comply with the requirements stipulated in this Sub-Clause.

**5.8.4. Agent at Discharge Port**

The Seller shall appoint its shipping agent for the discharge port. If the Buyer considers the appointed shipping agent to be incompetent, the Buyer may, by notice to the Seller, require that such agent be replaced. The Seller shall arrange such replacement without delay.

**5.8.5 Seller Liability for Discharge Demurrage**

**Definitions**

For the purposes of this Clause:

**Discharge Delay** means any time lost at the Discharge Port beyond the agreed laytime due to events attributable to the Seller, including but not limited to vessel nomination, cargo issues, documentation deficiencies, or any other act or omission of the Seller, its agents, contractors, or subcontractors.

**Bunching means** the arrival of multiple vessels at the Discharge Port within a short period such that the Vessel cannot commence or complete discharge on schedule, to the extent such congestion is caused directly or indirectly by the Seller.

Notwithstanding anything to the contrary herein, any deviation from the vessel spacing requirement under Clause 2.7(f) shall be conclusively deemed to constitute Bunching and Discharge Delay, without the Buyer being required to establish additional causation. Any waiting time, anchorage delay, or queue delay arising from or aggravated by such deviation shall also be deemed to constitute Discharge Delay attributable to the Seller.

**Seller Liability**

Notwithstanding that the Coal is supplied on a CFR basis, the Seller shall be liable to the Buyer for all demurrage, detention, or other time-related vessel charges incurred at the Discharge Port to the extent such charges arise directly or indirectly from:

- (a) failure of the Coal to comply with the contractual specifications;
- (b) excessive moisture, contamination, heating, unsafe cargo condition, or self-combustion risk;

- (c) improper loading, trimming, or stowage of the cargo at the Load Port;
- (d) discrepancies, deficiencies, or inaccuracies in shipping documents;
- (e) delay in submission of Bills of Lading, Certificates of Analysis, draft survey reports, or any other required documentation;
- (f) failure to comply with regulatory or customs requirements;
- (g) any breach of this Agreement by the Seller;
- (h) any act or omission of the Seller, its agents, contractors, or subcontractors; or
- (i) any Discharge Delay or Bunching caused by the Seller, its actions, omissions, or nominations.

Liability arising from vessel spacing deviations under Clause 2.7(f) shall be enforceable under this Clause irrespective of port congestion, terminal allocation, or charter party provisions. Vessel deviation charges shall be calculated based on the following method

$$\text{Vessel Deviation charges} = (\text{Agreed monthly shipments} - \text{Actual Shipment arrival}) \times \text{No of days allocated for a shipment} \times \text{Rate as per 5.7.4.3}$$

Where demurrage becomes payable to the ship-owner or charterer as a result of any of the above causes, the Seller shall indemnify and reimburse the Buyer in full within seven (7) days of written demand.

Demurrage or dispatch shall be calculated at the contractual Demurrage Rate declared by the Seller at the time of vessel nomination in accordance with Clause 5.8.2.1, and no averaging, offsetting, or alternative rate calculation shall apply.

The Seller shall not rely on any provision of the charter party to limit or exclude its liability under this Clause. Notwithstanding anything to the contrary herein, the Buyer's right to recover demurrage or time-related charges under this Clause shall apply irrespective of the terms, exceptions, or limitations contained in any charter party or sub-charter party to which the Buyer is not a party.

The Buyer shall provide reasonable supporting documentation, including the Statement of Facts, demurrage calculation, and invoice. Failure of the Master to sign any document shall not invalidate the Buyer's claim where supported by port records.

This Clause shall survive discharge, payment, and termination of this Agreement.

## 5.9. SHIPPING TERMS ON FOB Trimmed BASIS

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

### 5.9.1. Vessel Type and Size

The Buyer shall have the right at his sole discretion to nominate vessels of suitable type and size for the agreed cargo parcel size between the Buyer and Seller to load the Coal at the Port of Loading and the Vessel shall be geared and grabbed.

### 5.9.2. Delivery Schedule

Seller shall Deliver Coal according to the Delivery schedule of the Buyer pursuant to Clause no. 2.7 of the ITB.

### 5.9.3. Seller's Responsibilities

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

### 5.9.4. Buyer's Responsibilities

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

- (a) Provide Seller with free use of cranes and related electricity power required by Seller during loading of the Coal on board such of Vessel; and
- (b) Have lightering facilities and crew available during the loading operation.

However, loading, stowing and trimming shall be done by the stevedores appointed by the Seller at their cost and time. Any machinery (Pay loaders) if required for trimming shall be supplied and paid for by the Seller.

### 5.9.5. Vessel Nominations & ETA Notices at Load Port to be Given by the Buyer to the Seller

All vessel nominations by seller shall be as per specifications and conditions set out in clause 5.7.4.

### 5.9.6. Notice of Readiness and the laytime at the Port of Loading

- a) Master of the vessel shall tender Notice of Readiness (NOR) at the load port at any time day or night Saturday, Sunday, holidays including, by email, after safely anchoring at the designated anchorage and is in all respects ready to load the cargo,

- whether Customs cleared or not and whether in free pratique or not to the vessel's agent.
- b) For Notice of Readiness purposes, if a vessel neither tenders NOR without having the International Ship and Port Facility Security (ISPS) clearance, then the Notice of Readiness is to be re - tendered once ISPS clearance is received.
  - c) Laytime shall commence after the Turn Time of twelve (12) consecutive hours after NOR is tendered by the Master. However, if loading commences before the expiry of such 12hour period, laytime shall commence to run upon commencement of loading.
  - d) Laytime or time on demurrage shall cease to count after cargo loading is completed. Time taken for the initial and final draft surveys shall not count as laytime or time on demurrage.
  - e) In case the vessel loads alongside a berth at a coal loading terminal, the time taken from anchor aweigh or pilot on board, whichever is earlier, until the vessel is all fast alongside, and ready in all respects to load including passing hatches, Customs clearance and free pratique, if applicable, shall not count as laytime.
  - f) In the event the vessel is ordered by the Port Authorities or Terminal to wait for anchorage, all such time shall count as laytime or time on demurrage.
  - g) Time required for loading of Vessel's bunkers and lubricants shall not be included in the laytime or time on demurrage except to the extent that the loading of the Coal is carried out concurrently.
  - h) Duration of breakdown of ship's cranes during loading operation shall not be counted as laytime. The time of breakdown of ship's cranes shall be calculated on a pro rata basis in accordance with the number of Vessel's cranes in breakdown to the total number of Vessel's cranes.
  - i) In the event shifting between anchorages or berths is necessary after the Vessel has anchored or berthed at the point of loading, the time required for shifting shall count as laytime or time on demurrage.
  - j) However, if the shipmaster decides to shift the Vessel after it has anchored or berthed for any reason other than the request, order or recommendation from Buyer or the Port Authorities, the time required for shifting shall not count as laytime or time on demurrage.
  - k) In the event a Vessel is Arrested or Detained by the Authorities at the load port or discharge port, laytime shall not count from the time of such Warrant for Arrest or Detention Order is served on board the vessel until the time of releasing the vessel from the Arrest or Detention.

**5.9.7. Shipments from Richards Bay Coal Terminal (RBCT) in South Africa**

For shipments from RBCT, terms and conditions with regard to the vessels nominations, NOR, Turn Time, Standard Load Rates, laytime exclusions etc. shall be as per the RBCT Guidelines in force at the time of shipment.

**5.9.8. Nomination of Safe Load Port / Berth / Anchorage**

- a) The Seller shall nominate one (01) safe port / one (01) safe berth / one (01) safe anchorage, which shall be always accessible and always afloat for the performing ship nominated by the Buyer and accepted by the Seller to carry a parcel of 60,000 MT +/- 10%.
- b) In the event the vessel nominated by the Buyer and accepted by the Seller cannot be fully loaded as per the Master’s Pre-Stowage Plan at one (01) safe port / one (01) safe berth / one (01) safe anchorage and in the event that the Seller does not load the full quantity / intake of Coal on board the performing ship as per the Master’s Pre -Stowage Plan, the Seller shall pay Dead-freight to the Buyer for the shortfall of the loaded quantity from the quantity declared in the Pre-Stowage Plan of the Master. The Buyer shall declare the applicable freight rate for the shipment as per the sea freight contract between the Buyer and its sea freight contractor - CSC.
- c) In the event it becomes essential for the Seller to load coal from more than one (01) safe berth / one (01) safe anchorage in a one (01) safe port, it shall be arranged by the Seller only with prior written consent of the Buyer.

In such an event, laytime or time on demurrage shall continue to count from the time neither of tendering NOR at the first berth / anchorage until the completion of loading at the last berth / anchorage.

All the costs of shifting and port charges and Demurrage charges at load port, and also at the discharge port due to delay in the ship at the load port, shall be on Seller's account.

**5.9.9. Delay in Export Documentation Formalities (Customs and Port)**

In the event the time taken to complete draft survey, export documentation, Port Clearance by the Customs / Port etc. after completion of loading takes more than 03 hours, such delayed period over and above 03 hours shall count as laytime or time on demurrage. For shipments from RBCT, South Africa, prevalent RBCT Guidelines shall apply.

**5.9.10. Seller’s Delivery Obligation and Load Rate**

Seller shall cause and ensure that:

<p>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 109 of 172</p>
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- a) The amount of Coal for each shipment under the Agreement shall be as specified by the Buyer in its notice given under Clause 2.7 of the ITB (subject) to tolerance of +/- 10% at Master's option) and shall be available and ready for loading at the nominated loading anchorage / berth; and
- b) Load Rate shall be as declared by the Seller for respective load port in his Technical and Commercial Proposal (Annex 4) or the customary load rate declared by the port/terminal, whichever is higher.
- c) However, the minimum Load Rate shall be at least 10,000 MT per weather working day of twenty-four (24) consecutive hours, Saturdays, Sundays, and holidays included.
- d) For shipments from Richards Bay Coal Terminal (RBCT) in South Africa, Standard Load Rates shall be as per the RBCT Guidelines in force at the time of shipment.

**5.9.11. Vessel Demurrage and Dispatch**

- a) In the event that Seller is unable to complete the loading, trimming and stowage of a shipment of Coal on board the Vessel within the laytime allowed, Seller shall pay to the Buyer Demurrage at the rate intimated by the Buyer with the Nomination of the vessel, as per the laytime calculations to be mutually agreed in accordance with the Statement of Facts (SOF) signed by the Master, Agent and the Supervisor of the Stevedoring Contractor.
- b) In the event that the loading of a shipment of coal is completed before the expiry of the laytime allowed, the Buyer shall pay to Seller Dispatch money at 50% of the demurrage rate for the all laytime saved.
- c) All claims for Demurrage or Dispatch money for the load port, as the case may be shall be settled and paid within 30 days after the completion of loading of that shipment of coal.
- d) The Statement of Facts (SOF) of the load port shall be signed by the Master of the ship, vessel Agent and the Supervisor of the Stevedores.
- e) In the event any amount of Demurrage less Dispatch money payable in terms of this Clause no. 5.9.11 remains unsettled by the seller, the Buyer shall have the right to deduct such amounts as per the Buyer’s laytime calculation from the earliest available invoice of the Seller, (refer the Clause 5.16 of section 5: Letter of Confirmation for the Final Payment).

In the event the demurrage amounts deducted as above as per the Buyer’s laytime calculation by the Buyer are higher than the finally agreed demurrage amounts as per

the laytime calculations to be mutually agreed between the Buyer and the Seller, then the amount deducted in excess of the mutually agreed demurrage amounts shall be refunded by the Buyer to the Seller.

The Performance Security submitted by the Seller shall not be released by the Buyer until the load port Demurrage less any Dispatch are remained unsettled for any reason.

**5.9.12. Costs of Delivery**

The Seller shall bear all of the costs and expenses of and relating to the loading of the Coal on the Vessel, wharfage, export and other taxes, imposts and other charges imposed by any government or its agencies, as well as other similar costs, which are normally considered to be for Seller's account.

The Buyer shall bear all Port charges and dues and Customs Overtime charges on account of the vessel at both load port and discharge port.

**5.9.13. Seller's Shipment Default**

In the event that the quantity of Coal which Seller has for any shipment under the Agreement is insufficient, as per the final Pre-stowage Plan of the Master, to meet Buyer's requirements for that shipment stated in Clause 2.7 of the Agreement, or in the event constituting Detention or Arrest of the Vessel due to Seller's default, then the Seller shall pay for any and all losses, damages, and costs ( including, without limitation, Dead-freight and other expenses claimed by the shipping company) suffered by Buyer arising from such insufficiency or such detention damages claimed by the shipping company (or Buyer), and Seller shall, in addition to the payment of demurrage, pay for any and all losses, damages, and costs arising from or relating to any delay by Seller in loading that shipment of Coal.

In such event, the losses, damages, and costs shall be calculated in accordance with the One Year Time Charter Rate as reported in the Shipping Intelligence Weekly Reports published by Clarkson Research Services Ltd. for the preceding month to the month, which includes the first date of the relevant laycan or the Demurrage rate agreed for the shipment, whichever is higher.

**5.9.14. Stevedore Damages to the Ships**

Buyer shall not be responsible for stevedore damages, which the Vessel may sustain at the Port of Loading. Seller shall indemnify and hold the Buyer harmless against any and all losses, claims, actions, costs, expenses, judgments, subrogation, or other damages resulting from injury to any person or damage to property of whatsoever nature of any person arising out of or incident to the performance of the work to load cargo onto the Vessel at the Port of Loading by Seller (including but not limited to

Seller’s employees, agents, sub seller, stevedore and other designated by Seller to perform the loading work or service in, about or attendant to the loading work). The Master shall inform stevedores, agents and the Buyer as soon as the damage is sustained during loading within 24 hours of such incident. The master shall endeavor to obtain stevedores’ written acknowledgement of liability. Owners or Master shall give written notice to stevedores of damage claimed before the vessel sail from the loading port. Any time lost due to stevedore damage shall count as laytime or time on demurrage.

**5.9.15. Asian Gypsy Moth Free Certificates**

In case any shipments are loaded from the ports of Vanino or Vostochny in Russia, during high risk Asian Gypsy Moth months from 1st July 31st October every year, the costs incurred by the vessel for fumigation of the ship and for obtaining the Asian Gypsy Moth Free Certificates shall be reimbursed by the Seller on actual basis. In the event that the Seller fails to reimburse such costs, the amount shall be deducted from the final payment by the Buyer to the Seller.

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### 5.10. FORM FOR SELLERS PERFORMANCE SECURITY

[On the letterhead of the issuing bank]

[Date]

To: Lanka Coal Company (Pvt) Ltd

Dear Sirs,

**[Issuing Bank]**  
**Account: Seller**

We, the undersigned Issuing Bank, understand that:

- (a) You, the Buyer, has issued a letter of Award dated ..... to ..... ; and
- (b) as per the Conditions of the Procurement Document LCC/26/TP/1, the seller must provide to you a performance security which is the conditions precedent to the execution to the Coal supply agreement “a draft of which has been provided to us”.

At the request of the Contractor, we ----- [name of Agency] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of ----- [amount in figures] (-----) [amount in words], such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire, no later than the 120 days beyond the schedule of ....., 2027 (insert date, 120 days beyond the scheduled contract completion date) (for the purpose of this contract completion date is defined as the date of successful completion of the final delivery of the last shipment of the contract). and any demand for payment under it must be received by us at this office on or before that date.

\_\_\_\_\_  
[signature(s)]

**5.11 DOCUMENTS REQUIRED FOR LC**

- a) Manually signed Commercial Invoice – 2 originals and 2 copies
- b) Original Clean on Board or Charter Party Bill of Lading
- c) Certificate of Origin -1 original and 2 copies
- d) Certificate of weight at Puttalam Anchorage
- e) Certificate of Analysis of Quality at the Jetty of the Plant
- f) Draft Survey Report at Puttalam Anchorage
- g) Certificate of Hold Cleanliness
- h) Beneficiary's Certificate Certifying that;
  - (i) Copy documents have been sent direct to buyer by courier
  - (ii) Original Statement of Facts, Ship's Stowage Plan, Cargo Manifest and Notice of Readiness have been sent to the buyer by courier
- i) Letter of Acceptance
- j) Letter of Confirmation
- k) Insurance certificate

**5.12 ADDITIONAL CONDITIONS FOR LETTER OF CREDIT:**

- a) Quality adjustment (if any) shown on invoice allowed.
- b) Plus Ten (10) percent or minus Ten (10) percent (10%+/-) in quantity and value is acceptable.
- c) Third party documents except commercial invoice and draft are acceptable.
- d) LC under drawn due to quality adjustment is acceptable.
- e) Charter party bills of lading are acceptable.
- f) Bills of lading showing charter party date which may be prior to the date of the LC and different from bills of lading is acceptable.
- g) Typographical and spelling errors shall not be considered as discrepancies except on amount, date and quality.
- h) Applicable rules UCP latest version.
- i) Documents presented later than 30 days from Bill of Lading date but within LC validity are acceptable.
- j) All bank charges outside Sri Lanka for beneficiary's account.
- k) All alterations on documents to be authenticated by issuing authority
- l) Photocopies in lieu of copies acceptable.
- m) Documents presented with different headers/titles but serving the same purpose are acceptable.
- n) Certificate of sampling and analysis in the standard format of independent inspection agency is acceptable.
- o) Cargo marine insurance to be covered by the applicant.
- p) Required certificates not showing the wordings 'independent inspector' but showing specific name of them is acceptable.

- q) The number, date of credit and the name of our bank must be quoted on draft and invoice.
- r) Certificate of Analysis in the standard format of independent inspection agency and also showing results for other parameters is acceptable.

### 5.13 DOCUMENTS REQUIRED FOR 80% FIRST LC/TT PAYMENT FOB / CFR BASIS

- a) Seller's manually signed Invoice for 80% payment in Two originals and Two copies showing FOB Trimmed or CFR Puttalam Anchorage price, HS code No. 2701.12 and certifying that the shipment and its value conform in all respects to supplier's Proforma Invoice No. .... dated ..... 2026 and the contract No. LCC/26/TP/1 signed between Lanka Coal Company (Pvt.) Ltd and the Coal Supplier.
- b) Full set of Clean on-Board Bills of Lading (BL) in 3 Originals and 3 non-negotiable copies

**NOTIFY PARTY:**

Chairman

Lanka Coal Company (Private) Limited

51/3, Suranimala Place, Off-Dutugemunu Street,

Kohuwala/Dehiwala, 10350, Sri Lanka

- c) Certificate of Origin in One original and Two copies – acceptable to LCC and issued by the appropriate authority of the relevant country. Eg. Chamber of Commerce (combined certificate of origin and invoice acceptable).
- d) Certificate of Weight in Two originals and Two copies issued by an internationally accepted independent inspector at the Load Port.
- e) Beneficiary's Certificate in one Original and two copies certifying that copy documents and original Statement of Facts, Ship's Stowage Plan, Cargo Manifest and Notice of Readiness have been sent to applicant by courier.
- f) Certificate of Hold Cleanliness before loading of coal in two Originals two copies.
- g) Load port Certificate of Sampling and Analysis of Quality in Two originals and Two copies issued by an internationally accepted independent inspector at the Load Port.
- h) Draft Survey Report issued by an internationally accepted independent inspector at Load Port two originals and two copies.
- i) Applicant's Letter of Acceptance (LOA) as per SCHEDULE 5.15. This will be issued within 72 hours from the receipt of the above documents.

<p><i>LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27</i></p>		<p>Shall be initialed by Authorized Signatory .....</p>	<p>Page 115 of 172</p>
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### 5.14. DOCUMENTS REQUIRED FOR BALANCE LC/TT OR 90-DAY CREDIT PAYMENT (CFR/FOB)

- a) Seller's manually signed Commercial Invoice in Two originals and Two copies indicating FOB Trimmed or CFR Puttalam Anchorage price, HS code No. 2701.12 and certifying that the shipment and its value conform in all respects to supplier's Proforma Invoice No. .... dated ..... 2026 and the contract No. LCC/26/TP/1 signed between Lanka Coal Company (Pvt.) Ltd and the Coal Supplier.
- b) Full set of Clean On-Board Bills of Lading (BL) in 3 Originals and 3 non-negotiable copies

**NOTIFY PARTY:**

Chairman

Lanka Coal Company (Private) Limited

51/3, Suranimala Place, Off-Dutugemunu Street,

Kohuwala/Dehiwala 10350, Sri Lanka

- c) Certificate of Origin in One original and Two copies – acceptable to LCC and issued by the appropriate authority of the relevant country. *Eg. Chamber of Commerce* (combined certificate of origin and invoice acceptable).
- d) Certificate of Weight in Two originals and Two copies issued by an internationally accepted independent inspector at the discharge port anchorage/ Jetty of the Plant.
- e) Beneficiary's Certificate in one Original and two copies certifying that copy documents and original Statement of Facts, Ship's Stowage Plan, Cargo Manifest and Notice of Readiness have been sent to applicant by courier.
- f) Certificate of Hold Cleanliness before loading of coal in two originals and two copies.
- g) Discharge port Certificate of Sampling and Analysis of Quality in Two originals and Two copies issued by an internationally accepted independent inspector at the Discharge Port.
- h) Draft Survey Report issued by an internationally accepted independent inspector at the Discharge Port in two originals and two copies.
- i) Applicant's Letter of Confirmation (LOC) in one Original and two copies as per SCHEDULE 5.16. This will be issued within 72 hours from the receipt of the above documents stated in clause a) to h).

LCC/26/TP/1- Term Procurement (TP) Document for Supply of Coal for Lakvijaya Power Plant - Season 2026-27		Shall be initialed by Authorized Signatory .....	Page 116 of 172
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**5.15. LETTER OF ACCEPTANCE FOR FIRST PAYMENT  
(80% of FOB/CFR)  
based on Load Port Certificates**

To: -----

SWIFT: -----

Attention: (*Name and Address of the supplier*)  
-----  
-----

DATE: -----

SERIAL NO.: LCC/26/TP/x/xxx/LOA/xx  
PROCUREMENT REF. NO: LCC/26/TP/1**PARTICULARS OF CONSIGNMENT**

<b>1. a) Letter of Credit No.:</b>		<b>b) BL No:</b>		<b>c) BL Date:</b>	
<b>2. Name of Beneficiary</b>					
<b>a) Total BL weight of coal (MT):</b>			<b>b) Name of the vessel :</b>		
<b>3. Beneficiary's Commercial invoice</b>					
a. Number: -----		b. Date: -----		c. 100% of FOBT Value US\$: -----	
<b>4. Awarded Price US \$/MT</b>					
<b>5. Adjusted Price US \$/MT (----- x ----- / -----) (Index Price for preceding month to BL date = \$-----/MT) (Index Price for preceding month of Bid Opened date = \$ -----/MT)</b>					
<b>6. Price Adjustment for Quality (Per MT)</b>					
Quality Parameters	LCC Standard Value	LCC Min /Max Value		Load Port Value	Acceptable (Yes/No)
		Min	Max		
a. Gross Calorific Value (kcal/kg)	6,150	5,900	-		
b. Sulphur (%)	0.5	-	1		
c. Ash (%)	11	-	16		
d. Moisture (%)	12	-	16		
e. Volatile Matter (%)	31	22	39.9		
f. Size (as per loading port) Above 50mm (%)	3	-	5		
g. Size (as per loading Port) Below 2mm (%)	22.5	-	30		
h. Hardgrove Grindability Index	50	40	59		
i. Ash Fusion Temperature (AFT)	1250	1150	-		
j. Fluid Temperature (F.T))	1325	1250	-		
<b>7. TOTAL PRICE ADJUSTMENT FOR QUALITY (a+b+c+d+e+f+g+h+i+j) US\$ /MT</b>					

<b>8. NET UNIT PRICE AFTER ADJUSTMENT FOR QUALITY</b> US\$/MT (6+7)	
<b>Summary of Payment</b>	
i). Total Shipment Value after quality adjustment on Load Port Reports US\$ (..... MT X USD ..... ) US\$	
ii). Total Adjusted Freight Payment USD (..... MT x USD .....)	
Total CFR Value (i+ii)	
First Payment based on Load Port Test Reports (80%) US\$	
Other Recoveries (if any)	
a. Loading Port Demurrage	
b. Agreed deduction on quality of any previous shipments	
<b>d. Balance to be Paid:</b> Further adjustments will be made in accordance with Clause 3.6.1 of the Bid Document, and you will be notified of the balance due by the Letter of Confirmation (LOC) to be issued; LCC/26/TP/1/xxx/LOC/xx for this shipment.	

**Please release the following payment for the above Letter of Credit.**

USD: (United States Dollars .....**Only**)

Thanking You,  
Yours Faithfully,  
LANKA COAL COMPANY (PVT) LTD.

.....  
Chairman

Cc: Bank of Ceylon- Head Office Sri Lanka

**5.16. LETTER OF CONFIRMATION (LOC) FOR THE FINAL  
PAYMENT (FOB/CFR) OR 90-DAY CREDIT PAYMENT  
Based on Discharge port certificates**

**Suppliers Bank**

To: -----

SWIFT: -----

Attention: (*Name and Address of the supplier*)

DATE: -----

SERIAL NO.: LCC/26/TP/x/xxx/LOC/xx  
PROCUREMENT REF. NO: LCC/26/TP/1

**PARTICULARS OF CONSIGNMENT**

<b>1. a) Letter of Credit No:</b>		<b>b) BL No.:</b>		<b>c) BL Date:</b>		
<b>2. Name of Beneficiary:</b>						
a) Total weight as Discharged port report (MT)				b) Name of the vessel		
<b>3. Beneficiary's Commercial invoice</b>						
a:-----		b. Date -----		c. 100% of FOBT Value US\$:-----		
<b>4. Awarded Price US \$/MT</b>						
<b>5. Adjusted Price US \$/MT (xxxx X xxxx / xxxx) (Index Price for preceding month to BL date = xxxx/MT) (Index Price for preceding month of Bid Opened date = \$xx/MT)</b>						
Price adjustment	LCC Stand ard Value	LCC Min / Max Value		Load Port Value	Discharge Port Value	Accepta ble Yes/No
		Min	Max			
a. Gross Calorific Value (kcal/kg)	6,150	5,900	-			
b. Sulphur (%)	0.5	-	1			
c. Ash (%)	11	-	16			
d. Moisture (%)	12	-	16			
e. Volatile Matter (%)	31	22.9	39.9			
f. Size Above 50mm (%)	3	-	5			
g. Size Below 2mm (%)	22.5	-	30			
h. Hardgrove Grindability Index	50	40	59			
i. Ash Fusion	1250	1150	-			
j. Flow (Fluid)	1325	1250	-			
<b>6. TOTAL PRICE ADJUSTMENT FOR QUALITY (a+b+c+d+e+f+g+h+i+j) US\$ per MT</b>						
<b>7. NET UNIT PRICE AFTER QUALITY ADJUSTMENT US\$/MT (6+8)</b>						
<b>8. Summary of Payment</b>						
(i) Total Shipment Value after quality adjustments for Discharge port Report (..... MT X USD.....) US\$						
(ii) Total Adjusted Freight Payment ( ..... MT x USD ..... ) USD						
(iii) First Payment done based on Load Port Test Reports (80%) US\$						
Final Payment US\$ (i+ii-iii)						
Other Adjustments (if any) as per LOA						

SECTION 5 – SCHEDULES

a) Demurrages stipulated in Section 5 under Clause 5.9.11 e	
b) Different amounts in respect of quality adjustment of reference sample stipulated in Clause 3.5.3.	

Please release the following payment for the above Letter of Credit.

USD: (United States Dollars .....**Only**)

Thanking You,  
Yours Faithfully,  
LANKA COAL COMPANY (PVT) LTD.

.....  
Chairman

Cc: Bank of Ceylon- Head Office Sri Lanka

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**5.17. FORMAT OF LOADPORT QUALITY CERTIFICATE****CERTIFICATE OF SAMPLING AND ANALYSIS**

Vessel -----  
 Port of Loading -----  
 Sampling Commenced -----  
 Sampling Completed -----  
 Bill of Lading Date -----  
 Quantity (as per Load Port Draft Survey) -----  
 Description of goods -----  
 Our reference -----  
**Test Sample No** -----  
**Reference Sample Electronic Seal No** -----

THIS IS TO REPORT that in accordance with instructions received from our principal, to perform sampling and analysis of the above-mentioned shipment, we hereby report the following.

SMPLING MECHANICAL SAMPLING - as per ASTM D2234 condition I-B-1/D7430  
 Part A Samples collected throughout the entire loading of the vessel.

ANALYSIS Analysis performed in accordance with ASTM Standards.

We report the following on weighted average for proximate analysis.

Proximate Analysis	ASTM Standards	Unit	As Received Basis	Air Dry Basis	Dry Basis
Total Moisture	<b>D 3302</b>	%	-	-	-
Moisture in Analysis Sample	<b>D 3173</b>	%	-	-	-
Ash	<b>D 3174</b>	%	-	-	-
Volatile Matter	<b>D 3175</b>	%	-	-	-
Fixed Carbon	<b>D 3178, D5373</b>	%	-	-	-
Sulphur	<b>D 1757</b>	%	-	-	-
Gross Calorific Value	<b>D 5865</b>	Kcal/Kg	-	-	-
Net Calorific Value	-	Kcal/Kg	-	-	-

Ultimate Analysis	Unit	As Received Basis	Air Dry Basis	Dry Basis
Total Carbon	%	-	-	-
Hydrogen (excludes H in moisture)	%	-	-	-
Total Nitrogen	%	-	-	-
Oxygen by diff.(excludes O in moisture)	%	-	-	-
Total Hydrogen (includes H in moisture)	%	-	-	-
Oxygen (includes O in moisture)	%	-	-	-
Total Chlorine	Kcal/Kg	-	-	-

## SECTION 5 – SCHEDULES

		<b>ASTM Standards</b>
Hardgrove Grindability		<b>D 409</b>
Nominal Top Size		-

Ash Fusion Temperatures		Reducing Atmosphere
Initial Deformation	Deg C	-
Spherical (Softening)	Deg C	-
Hemispherical	Deg C	-
Flow (Fluid)	Deg C	-

Mineral Ash analysis (Dry Basis)	Unit	Result
SiO <sub>2</sub>	%	-
Al <sub>2</sub> O <sub>3</sub>	%	-
Fe <sub>2</sub> O <sub>3</sub>	%	-
CaO	%	-
MgO	%	-
Na <sub>2</sub> O	%	-
K <sub>2</sub> O	%	-
P <sub>2</sub> O <sub>5</sub>	%	-
TiO <sub>2</sub>	%	-
Mn <sub>3</sub> O <sub>4</sub>	%	-
SO <sub>3</sub>	%	-
Undetermined	%	-
Total	%	-

Size Distribution		Fractional Mass %	ASTM Standards
-mm	+mm	-	<b>D 4749</b>
	50	-	
2	0	-	

**End of Section 5**

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**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
- SECTION 3 - CONDITION OF CONTRACT**
- SECTION 4 - COAL SUPPLY AGREEMENT**
- SECTION 5 - SCHEDULES**
- SECTION 6 - FORMS - ANNEXURES**
- SECTION 7 - DEFINITIONS**

**End of Section 6**

INFORMATION COPY

**SECTIONS**

- SECTION 1 - INVITATION FOR BIDS**
- SECTION 2 - INSTRUCTIONS TO BIDDERS**
- SECTION 3 - CONDITION OF CONTRACT**
- SECTION 4 - COAL SUPPLY AGREEMENT**
- SECTION 5 - SCHEDULES**
- SECTION 6 - FORMS - ANNEXURES**
- SECTION 7 - DEFINITIONS**

INFORMAL COPY

## 7. DEFINITIONS

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

No.	Term	Definition
1.1	<b>Anticipated Base Load</b>	Anticipated Base Load means, in relation to any Quarter of a Contract Year, the base load level of dispatch of the Plant, measured in MWh, anticipated by the Buyer for the relevant Quarter, as notified by the Buyer to the Seller in the respective Final NQQ Notice.
1.2	<b>Approved Measurement Standards</b>	Approved Measurement Standards means the ASTM standards for the sampling and analysis of Coal more particularly set forth in Clause 5.3.
1.3	<b>ASTM</b>	ASTM means the American Society for Testing and Materials.
1.4	<b>Base Price</b>	Base Price means the base price per tonne of Coal in accordance with Clause 5.4.
1.5	<b>Business Day</b>	Business Day means any day excluding Saturday, Sunday or any day which shall be in Sri Lanka, a Public holiday or a day on which banking institutions are permitted to be closed.
1.6	<b>Buyer</b>	Buyer means Lanka Coal Company (Private) Limited.
1.7	<b>Buyer Event of Default</b>	Buyer Event of Default has the meaning ascribed to it in Clause 3.10.2.
1.8	<b>Calendar Year or Year</b>	Calendar Year or Year means a period of twelve (12) consecutive calendar months commencing on 1st January and ending on 31st December.
1.9	<b>Coal</b>	Coal means thermal coal to be supplied to Buyer by Seller having quality characteristics as agreed in the Agreement.
1.10	<b>Coal Price Index</b>	Coal Price Index means The coal price index published by the Argus/McCloskey's for following regions: (1) Australia (2) Colombia (3) Indonesian Coal Index (4) Northwest Europe (5) Russia (6) South Africa.
1.11	<b>Coal Supply Agreement or Agreement</b>	Coal Supply Agreement or Agreement means this agreement for the supply of coal entered into by the Buyer with the Seller.
1.12	<b>Confidential Information</b>	Confidential Information has the meaning described to it in Clause 3.15.
1.13	<b>Contract Year/Season</b>	Contract Year/Season means a period commencing from 1st September of the current year to mid-May of the next year subject to effect of Southwest Monsoon of each year.

1.14	<b>CFR</b>	CFR means delivery Cost and Freight up to the Puttalam Anchorage in accordance with INCOTERMS the latest edition available.
1.15	<b>CFR up to the Puttalam Anchorage</b>	CFR up to the Puttalam anchorage means FOBT (Port of Loading) and Sea freight up to the Puttalam Anchorage.
1.16	<b>Composite Index</b>	Composite Index means the Average monthly index calculated by using South African Coal Index (API 4), Indonesian Coal Indices (ICI 1 and ICI 2) and Russian Coal Indices (Taman and Vostochny) listed by the Argus Media website, <a href="http://www.argusmedia.com">www.argusmedia.com</a> .
1.17	<b>Delivery</b>	Delivery means on CFR (Puttalam anchorage basis crossing of the Vessel's rail Puttalam anchorage.
1.18	<b>Discharging Anchorage</b>	Discharging Anchorage means the coal carrier anchoring/mooring point (approximately around N 8°-2', E 79°-43') located 125km north of Colombo in the Indian Ocean.
1.19	<b>Event of Force Majeure</b>	Event of Force Majeure has the meaning ascribed to it in Clause 3.7.
1.20	<b>FOBT</b>	FOBT means delivery Free on Board in accordance with INCOTERMS the latest edition available and including trimming work.
1.21	<b>Foreign Currency or FC</b>	Foreign Currency or FC means the lawful currency for Seller's PRICE PROPOSAL and accepted for defining the Base Price according to Clause 3.10.
1.22	<b>Independent Marine Surveyor</b>	Independent Marine Surveyor means such reputable independent marine survey organization as shall be acceptable to both Buyer and Seller.
1.23	<b>Independent Surveyor</b>	Independent Surveyor means such reputable independent commercial testing organization as shall be acceptable to both Buyer and Seller.
1.24	<b>ISO</b>	ISO means International Organization for Standardization.
1.25	<b>Jetty of the Plant</b>	Jetty of the Plant means the barge berthing and unloading facility of the Buyer at the Plant.
1.26	<b>kcal</b>	kcal means kilocalorie(s) as defined in the "International System of Units".
1.27	<b>kg</b>	kg means kilogram(s) as defined in the "International System of Units".
1.28	<b>LOA</b>	LOA means Letter of Acceptance for the purpose of making the first 80% payment per shipment.
1.29	<b>Letter of Credit</b>	Letter of Credit means of an irrevocable unconfirmed, letter of credit.
1.30	<b>LOI</b>	LOP means Letter of Indemnity
1.31	<b>LOP</b>	LOP means Letter of Protest

1.32	<b>mm</b>	mm means millimetre(s) as defined in the "International System of Units".
1.33	<b>Nominated Annual Quantity or NAQ</b>	Nominated Annual Quantity or NAQ means the annual quantity of Coal to be nominated by the Buyer for purchase in each Contract Year as the same may be determined by Clause 3.3.1.
1.34	<b>Offtaker</b>	Offtaker means Ceylon Electricity Board.
1.35	<b>Parties</b>	Parties means the Buyer and the Seller.
1.36	<b>Plant</b>	Plant means the Lakvijaya Power Plant located in Sri Lanka.
1.37	<b>Port of Loading or Load Port</b>	Port of Loading or Load Port means [port designated by seller].
1.38	<b>Pratique</b>	Pratique means permission to do business at a port by a ship that has complied with all applicable government regulations for the purposes of health & safety evaluations and customs compliance.
1.39	<b>Price</b>	Price means the price per Metric Ton of Coal to be payable by the Buyer to the Seller in respect of Coal nominated for supply in a Contract Year pursuant to Clause 11 or otherwise agreed to be supplied in that Contract Year, as such price may be determined and adjusted as described in the Agreement.
1.40	<b>Qualifying Alternative Coal</b>	Qualifying Alternative Coal has the meaning ascribed to it in Clause 3.8.2.
1.41	<b>Reduction Event</b>	Reduction Event means any or all of the following: (a) Receipt by the Buyer of a dispatch instruction from Offtaker requiring dispatch of one or more units at the Plant by Offtaker at less than Anticipated Base Load levels. (b) Unplanned outages affecting all or part of the Plant. (c) The inability of the Buyer to operate the Plant as a result of events affecting Offtaker's transmission or distribution system. (d) Events of Force Majeure.
1.42	<b>SHLPC</b>	SHLPC means Standing High Level Procurement Committee.
1.43	<b>Seller / Supplier</b>	Seller / Supplier means selected Bidder by the SHLPC.
1.44	<b>Seller Event of Default</b>	Seller Event of Default has the meaning ascribed to it in Clause 3.10.1.
1.45	<b>Seller's Mine or Coal Mine or Mine</b>	Seller's Mine or Coal Mine or Mine means the mine from which the Coal is to be supplied, as specified in Seller's TECHNICAL AND COMMERCIAL PROPOSAL.
1.46	<b>Shipping Terms</b>	Shipping terms means the international shipping industry technical terms which are more fully described below: 1.43.1 BEAM - widest part of the vessel; 1.43.2 DRAUGHT - determines the minimum depth of water a ship or boat can safely navigate; 1.43.3 DWT – Dead Weight; 1.43.4 ETA – Expected Time of Arrival; 1.43.5 GRT – Gross Register Tonnage;

		1.43.6 IMO Number - International Marine Organization Number; 1.43.7 ISPS – International Ship and Port facility Security; 1.43.8 LOA – Length Overall; 1.43.9 NOR – Notice of Readiness; 1.43.10 NRT – Net Register Tonnage; 1.43.11 pwwd – Per weather working Day; 1.43.12 SOF – Statement of Facts; 1.43.13 sshinc – Saturdays, Sundays and Holidays included.
1.47	<b>Successful Delivery</b>	Successful Delivery means the date of the completion of discharging from the vessel to barges at the Puttalam anchorage and all contractual obligations are completed without any disputes.
1.48	<b>Term</b>	Term means the period commencing upon the date of the Agreement and ending on the last day of the period of supply of Coal to the Buyer as more particularly described in Clause 3.2.
1.49	<b>Tonne(s) or MT</b>	Tonne(s) or MT means metric ton(s) as defined in the "International System of Units".
1.50	<b>Turn Time</b>	“Turn Time” means the 12 hours grace period allocated by the charter party for arrival formalities discharging port
1.51	<b>Vessel</b>	Vessel means the Ship used in connection with transporting Coal from Load Port to Transshipment Port, Puttalam.
1.52	<b>Working Day</b>	Working day means a day upon which business is regularly transacted in the country of the Party charged with acting within a specified time. Unless expressly specified otherwise, the term "day" shall be deemed to mean "calendar day".
1.53	<b>90 Days Usance Letter of Credit (L/C)</b>	90 Days Usance Letter of Credit (L/C) means refers to a type of irrevocable documentary credit wherein payment to the beneficiary (seller) is made 90 days after the date of bill of lading, against the presentation of compliant shipping and commercial documents.

**ABBREVIATION**

<b>Abbreviation</b>	<b>Full Form / Meaning</b>
LCC	Lanka Coal Company (Pvt) Ltd
EGL	Electricity Generation Lanka (Pvt) Ltd
SHLPC	Standing High Level Procurement Committee
MT	Metric Ton
CFR	Cost and Freight
FOB	Free on Board
ETA	Expected Time of Arrival

SECTION 7 – DEFINITIONS

MF	Multiplication Factor
USD	United States Dollar
TP	Term Procurement
±10%	Quantity Variation Allowance (Plus or Minus 10%)
Co	Base Freight Component
INDEX	Composite Price Index Formula
Laycan	Laydays and Cancelling Date
PoA	Power of Attorney
ETA Puttalam Anchorage	Expected Time of Arrival at Port of Discharge – Puttalam Anchorage
Addenda	Amendments or additions to the Procurement document

**End of Section 7**

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