

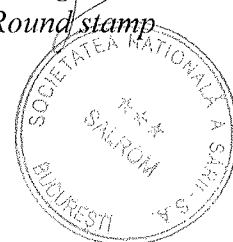
Approved,

General Manager,

Alina Prahoveanu

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TENDER BOOK

for procuring specialized services for the elaboration of the

**FEASIBILITY STUDY REGARDING THE EXPLOITATION AND SUPERIOR
CAPITALIZATION OF GRAPHITE SHALES
- UNGURELAȘU AND CĂTĂLINU –
BAIA DE FIER**

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TENDER BOOK **for procuring specialized services for the elaboration of the** **FEASIBILITY STUDY REGARDING THE EXPLOITATION AND SUPERIOR** **CAPITALIZATION OF GRAPHITE SHALES - UNGURELAȘU AND CĂTĂLINU - BAI** **DE FIER**

1. Introduction

This section of the Award Documentation includes the set of requirements based on which each Tenderer shall prepare the Tender (Technical Proposal and Financial Proposal) for the performance of the services covered by the Contract resulting from this procedure. Within this procedure, Societatea Nationala a Sarii fulfils the role of Contract Beneficiary.

For the purpose of this section of the Award Documentation, any activity described in a certain chapter of the Tender book and not explicitly specified in another chapter must be interpreted as being mentioned in all chapters where it is considered by the Tenderer that it should be mentioned in order to ensure the fulfilment of the object of the Contract.

2. The context for the purchase of services

The graphite accumulation in the northern part of Gorj county consists of two graphite complexes, one on Cătălinu mountain and one in Ungurelașu area.

The two graphite accumulations consist of graphite rock lenses interspersed in crystalline shale, with no continuity from one accumulation to the other.

The Cătălinu accumulation is located on the left bank of the Galbenu Creek, and the Ungurelașu accumulation is located on a peak between the left bank of the Ungurelu Creek and the right bank of the Olteț River.

There is no direct connection road between the two graphite accumulations of Cătălinu and Ungurelașu, the access to the two locations being totally independent. In a straight line, the distance between the two accumulations measured in an east-west direction is of about 5 km.

The brief description of the two perimeters is presented below.

Cătălinu Mine

The systematization and development works of Cătălinu Mine involved the realization of a mining enclosure on the Galbenu Valley, in Corneșu point and the opening of graphite shale lenses through 5 coastal galleries, the basic gallery being concreted. This concreted gallery made the connection to the air pit. The vertical connection between the opening galleries was made through a 290 mt. deep pit.

The exploitation method with horizontal downward slices was used in the exploitation of the reserves, with chamber stopes, supporting the exploited space and directing pressure through partial embankment and ceiling collapse. The panels were 60-80m long and 40m high.

The exploitation was stopped in 1994.

Situation of Cătălinu Mine reserves

The last documentation for approving the reserves was made for 01.01.1994.

This documentation is in the custody of the Râmnicu Vâlcea Mining Exploitation and can be used to achieve the purpose proposed in this Tender Book, in compliance with the legal provisions in the field.

The documentation is classified as "**Professional secret**", and the legal regulations in force are opposable.

Ungurelașu Quarry

The exploitation of the quarry took place between 1979 and 2005, when the exploitation activity was stopped amid unfavourable market conditions.

The exploitation in the quarry was performed in steps with a height of 10-15 m.

Situation of the Ungurelașu Quarry reserves

The surface occupied for the exploitation of graphite rocks in Ungurelașu is 66,744,559 m².

The data regarding the reserves/resources are in the custody of the Râmnicu Vâlcea Mining Exploitation and can be used to achieve the purpose proposed in this Tender Book, in compliance with the legal provisions in the field.

They are classified as "**Professional secret**", and the legal regulations in force are opposable.

3. Requested services: the activities to be carried out

The requested services represent the elaboration of a **feasibility study** for the Cătălinu and Ungurelașu perimeters, which were exploited by Societatea Nationala a Sarii until 1994, respectively 2005.

The purpose of the feasibility study is to analyse, substantiate and propose technical and economic options regarding:

- a) Resumption of graphite shale exploitation in Ungurelașu and Cătălinu perimeters, located in Baia de Fier area, Gorj County;
- b) Processing the graphite shale from the two perimeters (Ungurelașu and Cătălinu) in order to increase the carbon content, as well as determining the possible beneficiary areas of use;
- c) Higher capitalization of graphite concentrates that may be obtained from processing.

The feasibility study will be structured into five distinct sections as follows:

Section 1 will detail the exploitation of graphite shale in Ungurelașu and Cătălinu perimeters, Baia de Fier locality, Gorj county.

Section 2 will detail the solutions identified for the processing of the graphite shale from the two perimeters, Ungurelașu and Cătălinu, in order to obtain **the graphite concentrates**, as well as

determining the areas of use for these concentrates. Shall be considered at least the areas of battery production for electric vehicles, nuclear energy production, siderurgy, IT, as well as any other area that the Tenderer considers appropriate for the development of the exploitation in the two perimeters.

Section 3 will detail the identified solutions (options) for the higher capitalization of graphite concentrates that may be obtained from processing, for each of the areas identified in Section 2, and will present a comparative analysis that will contain, at least, the following elements:

- description of the scope;
- market analysis;
- analysis of the main players/producers in the presented field;
- the available technologies and the indicative assessment of the investment effort;
- scope risks and opportunities.

Section 4 where the consultant will develop a business plan for at least 2 solutions (options) identified in section 3, with a description of the arguments underlying the choice of the 2 options.

Section 5 detailing the financial analysis based on a phased investment estimate, including the calculation of the financial performance indicators. If justified, the risks that can be generated as a result of the analysis and calculations presented shall also be mentioned.

4. Approach and methodology within the Contract

In the technical proposal, the Tenderer shall include information on both the technical aspects of the contract, as well as on the organization and methodology approached for the fulfilment of the contract objectives, and the way of fulfilling the activities provided for all the technical phases of this tender book.

The technical offer will be presented and drafted in Romanian or English, so that it is easy to identify the correspondence with the minimum requirements of the Tender Book. All requirements in this tender book are minimal and mandatory. Failure to comply with any of the requirements automatically results in the tender being declared non-compliant.

The technical proposal will be presented so that it is easy to map the correspondence with the specifications of this Tender Book. The lack of such correspondence automatically leads to the tender being declared non-compliant.

Failure to comply with the requirements in the Tender Book or the absence of the specifications and services offered for each of the requirements in the Tender Book will entail the classification of the tender as non-compliant.

The methodology and work plan are key and mandatory components of the technical offer. The technical offer must be presented in the following structure:

- a) Methodology: methodology for the performance of services;
- b) Work plan: work plan for the performance of services;
- c) Organization and personnel: the personnel used to perform the services and its organization;

a) Methodology:

In this section, the Tenderer shall present how it understands:

- the context of the project;
- the objectives and expected results of the project;
- the integrated approach of activities, phases, deliverables, roles, processes related to the project;

- the methodology for carrying out activities for the purpose of implementing the contract;
- quality control.

At least the following information shall be given in this section:

- relevant general information (procedural, institutional, technical) and legal provisions on the current situation of the field of activity;
- the approach to the activity of identifying the risks that may arise during the performance of the contract;
- the approach to the activity of preventing/mitigating/eliminating or minimizing the effects, as the case may be, of the identified risks;
- identifying and explaining the key issues regarding the achievement of the contract objectives and the achievement of the expected results;
- the phases provided for the development of the project, relevant to the requirements of this tender book and their necessity in order to achieve the project objectives (these phases must comply with a minimum sequence necessary to control the project progress);
- project deliverables and the justified way of correlating each with the aforementioned phases, so that they cover the requirements for the elaboration of the feasibility study specified in this Tender Book.
- the classification of the project activities, in the development phases, according to their specificity and relevance in the elaboration of the feasibility study.
- the methodology to be used for the implementation of the contract, to coherently frame the aspects of the project (activities, phases, deliverables, roles, processes). The activities described in this chapter must be represented as their duration, in the related chapter of the work plan. The roles described in this chapter must be properly classified in the related organization and personnel chapter;
- the adequate project measures for controlling quality of the activities referred to in the Tender book.

b) Work plan:

The proposed work plan should be:

- in accordance with the proposed approach and methodology;
- should demonstrate:
 - the understanding of provisions in the Tender book;
 - the ability to transpose the provisions into a feasible work plan;
 - framing the activities in time so as to ensure the completion of the services within the deadline assumed by the tender;

c) Organization and personnel

At least the following information shall be given in this section:

- the structure of the proposed team for the performance of the contract, covering at least the requirements for experts, formulated below;
- the approach to the reporting activity regarding the progress of the services, including the final documents in relation to the provisions of the Tender Book;

5. Required resources/expertise to carry out the feasibility study

The tenderer shall present the team of key experts who shall perform at least the following roles:

Role	Supporting documents
A specialist with the role of project manager	CV (signed by the holder and dated), showing the experience in the provision of services similar to those covered by this Tender Book.
At least one specialist in the analysis of graphite products and markets or graphite derivatives	CV (signed by the holder and dated), showing the experience in providing market analysis performed on the area of graphite and graphite derivatives.
At least one specialist in the elaboration of technical projects in the field of graphite mining and graphite preparation/processing	CV (signed by the holder and dated), showing the experience in providing technical projects in the field of graphite mining and preparation/processing technologies.
At least one specialist in economic analysis, feasibility calculations, financial projections, sensitivity analysis, etc.	CV (signed by the holder and dated) showing the experience in providing economic analyses, feasibility calculations, financial projections, sensitivity analyses, etc.

For each person nominated in the team as a key expert, the privacy statement shall be presented, signed by the respective person, showing that the person:

- shall keep confidential the facts, information or documents of which he/she becomes aware during the performance of the contract;
- will not disclose the Contract or any provision thereof to a third party, other than the persons involved in the performance of the Contract;
- undertakes that the disclosure of any information to the persons involved in the performance of the Contract shall be made confidential and shall extend only to such information as is necessary for the performance of the Contract;
- undertakes to take all necessary steps to ensure that all Confidential Information is treated as confidential and that it is not disclosed or used for any purpose other than in strict relation to the Contract.

In support of the information in the CV, supporting documents will be presented showing that, from the point of view of the experience and professional skills of the specialized personnel proposed within the project team, the fulfilment of the contract to be awarded can be ensured at an appropriate level, according to the specifications provided in the Tender Book.

The proposal of specialized persons to occupy two or more of the aforementioned positions is not accepted.

In case persons who are not the tenderer's employees are proposed, for each such specialist, the holder shall fill in, sign and submit in original the availability statement.

In objectively justified cases (illness, death), the replacement of a key expert will be done only with the Contractor's approval, and all costs generated by its replacement are exclusively the Contractor's responsibility. No more than two experts shall be replaced throughout the duration of the contract. If this situation arises, the contract shall be terminated by law, and the Societatea Nationala a Sarii may request compensation for the amounts advanced, as well as for the damages that will be determined by the Contractor's inconsistency to assemble the team of experts.

The team of key experts indicated above has been set at a minimum level, the Tenderer being free to supplement its project team in correlation with the presented technical proposal and the project implementation schedule, so as to show its feasibility/sustainability.

6. Duties and responsibilities of the Parties

The Tenderer shall prepare and submit a Contract execution schedule showing the proposed stages for the elaboration of the 4 required sections. The project coordinator will participate throughout the duration of the contract in all activities necessary for the performance of the feasibility study.

The Tenderer is fully responsible for:

- ensuring the planning of resources in relation to the schedule estimated for the performance of the contract and presented in the tender;
- fulfilling its obligations, in compliance with the best practices in the field, the relevant legal and contractual provisions, as well as with the full understanding of the complexity related to the successful performance of the contract, so as to ensure the achievement of the set objectives;
- ensuring a degree of flexibility in the provision of services, applicable according to the objective needs of the Beneficiary or other objective factors, at any time during the performance of the contract; the degree and manner of applying this flexibility will be agreed in advance without this aspect leading to the modification of the Tenderer's objectives and tasks;
- providing the services in accordance with the minimum requirements of this Tender Book;
- collaborating with the Beneficiary's staff assigned for the services carried out according to the contract (monitoring the progress of the activities under the contract, coordinating the activities, feedback, etc.)

Societatea Nationala a Sarii is fully responsible for:

- making available to the Contractor all information and facilities necessary for the preparation of the feasibility study, such as: input data, specific situations, documentation, to the extent that they are under its authority or responsibility or for which it can legitimately obtain access;
- providing the Contractor, if the case, with a workspace equipped with computer and communication equipment;
- designating the team involved and responsible for the interaction and support provided to the Contractor;
- ensuring all the resources that are its responsibility for the proper performance of the contract;
- exercising the responsibilities regarding the implementation of the project: acceptance and verification of deliverables, providing the result of the evaluation to the contractor in proportion to the usual project durations.

The feasibility study will include, as an end page, the signature page, by which its developer acquires and assumes the proposed data and solutions and which will contain at least the following data: the contract number and date, the designers' name and surname in print by specialities, the person responsible for the project.

7. The legal framework governing the relationship between Societatea Nationala a Sarii as Beneficiary, and the Contractor

During the performance of all activities under the Contract, the Contractor is responsible for implementing the best practices, in accordance with the legislation and regulations existing at national and European Union level. The Beneficiary shall not be held liable for any failure or omission by the Contractor or its subcontractors to comply with any legal provision or any

applicable normative act, both for the provision of services and for the Feasibility Study generated by the provision of services.

If legislative changes occur, the Contractor has the obligation to inform the Beneficiary of the consequences on the activities covered by the Contract and to adapt its activity according to the Beneficiary's decision regarding the legislative changes.

8. Contract Management and Contract Reporting Activities

The means of communication to be used within the contract are: written information, email and telephone. Both the Beneficiary and the Contractor shall nominate the persons/experts responsible for the activities under the contract and shall draw up a coordinated programme for the implementation of the activities under the contract.

Both the Beneficiary and the Contractor will prepare relevant information on the results of the contract and will organize meetings with the interested parties in order to present, discuss these results.

The monitoring of the progress of the activities in the Contract will be done based on the Service provision schedule according to the requirements of the Tender Book, as it is accepted by the parties.

During the performance of the Contract, the Beneficiary will check, at the deadlines established and communicated by the Tender Book, whether all the planned activities have been carried out according to the requirements and if the results have been delivered and accepted. The Beneficiary must ensure, throughout the performance of the Contract and not only upon its completion, that the planned activities have been performed, the established requirements have been met.

If applicable, the Tenderers shall include in the technical proposal information on how to communicate with the supporting third party(s) regarding the performance monitoring within the Contract and, in particular, for presenting the manner of involvement of the supporting third party(s) in the event that difficulties arise in the implementation of the Contract.

8.1. Managing the relationship between the Contractor and the Beneficiary

The commencement of the activity under the Contract will be formalized through a kick-off meeting, organized in maximum 3 working days from the entry into force of the Contract. This meeting shall be organized by the Contractor in physical or remote format by means of communication defined below and agreed in advance. During the first opening session of the contract, the contact persons and their quality regarding the decision making will be established. Also, during this meeting will be presented the Start Report which includes the Service Delivery Schedule.

During the term of the contract, in order to establish progress and compliance with the service delivery schedule, regular meetings will be organized whenever necessary to discuss technical and administrative issues. During these meetings, the Contractor shall inform the Beneficiary on the progress of the services and the problems encountered in their realization. The Contractor shall provide adequate resources for such participation. If the physical presence of the Contractor's representatives is not required at each periodic meeting, other means of communication such as Skype conferences, teleconferencing, video conferencing, etc., can also be used.

For each meeting, the Contractor must:

- prepare a meeting agenda;
- ensure the participation of relevant personnel;
- prepare the minutes of the meeting.

Contract management method - specific to the activities included in the Tender Book

a) Beneficiary's responsibility

The Beneficiary shall promptly provide the Contractor, at its request, with any information and/or documentation at its disposal that may be relevant for the performance of the Service Contract.

The Beneficiary shall cooperate with the Contractor in order to make available the information that the latter may reasonably request for the performance of the Service Agreement.

The Contract Officer shall ensure the permanent communication with the Contractor's team, the record of all documents related to the performance of the Contract, the permanent monitoring and the periodic evaluation of the Contract objectives fulfilment degree.

b) Contractor's responsibility

The Contractor is responsible for the timely execution of all activities provided and for obtaining the results established by the Tender Book

The Contractor shall perform the Services under the Service Agreement, according to the professional standards and according to the technical offer.

The Contractor is responsible for the entire coordination of the activities covered by the Contract.

8.2. Reports/documents requested from the Contractor

The feasibility study to be presented is the reference point for this Contract and will be subject to analysis and approval by the Beneficiary.

The Contractor shall submit to the Beneficiary the reports drawn up during the term of the Contract, in accordance with the Service Delivery Schedule, as follows:

Final feasibility study

- printed copy in Romanian;
- electronic version on CD or USB stick.

8.3. Acceptance of results within the Contract

In the analysis of deliverables by the Beneficiary and in the analysis performed during the meetings with the Contractor, information will be used from:

- the requirements of the Tender Book;
- the information provided in the Technical Proposal to demonstrate the fulfilment of the requirements, for the application of the award criterion and any other Benefits offered by the Contractor for obtaining the competitive advantage during the evaluation period;
- the contract;
- the documents / reports/intermediate results provided by the Contractor;
- any other records considered relevant for the analysis of interim/ final results.

The acceptance of the results / deliverables obtained from the performance of the Contract is finalized by signing, as the case may be, the minutes of reception / acceptance.

8.4. Completion of services within the Contract

The Beneficiary will consider the services under the Contract completed when all the requirements included in the Tender Book have been fulfilled and the feasibility study has been accepted by the Beneficiary, based on the requirements included in the Contract.

Upon the completion of the contract, after the signing of the acceptance process within the contract, all the patrimonial copyrights on all the works created by the contractor or the members of the association, related to the concepts, plans and services delivered under this contract, shall be automatically transferred to the Societatea Națională a Sării S.A.

9. Additional/administrative information

This Tender Book is an annex to the Services Contract to be concluded with the Tenderer who will be declared the winner and will be an integral part thereof.

AWARD CRITERIA

The contract will be awarded based on the scoring algorithm below for determining the most technically and economically advantageous tender, as follows:

P1. Assessment of the Tenderer's expertise in market analysis:

Projects with similar requirements for the analysis of graphite products and markets or graphite derivatives	5 or more than 5 relevant projects executed	10 points
	2-4 relevant projects	5 points
	one relevant project	1 point

P2. Tenderer's Assessment in terms of technical expertise

Elaboration of technical projects in the field of graphite mining (feasibility studies, technical execution projects, etc.)	5 or more than 5 relevant technical projects executed	10 points
	2-4 relevant technical projects	5 points
	one relevant project	1 point

P3. Tenderer's Assessment in terms of economic expertise

Projects with similar requirements: economic analysis, feasibility calculations, financial projections, sensitivity analysis, etc.	5 more than 5 relevant projects executed	10 points
	2-4 relevant economic projects	5 points
	one relevant economic project	1 point

P4. Contract implementation methodology presented by the Tenderer

Overall coherent approach proposed by the designer, identification and addressing of all important topics within the project, as well as the degree of correlation between activities	10 points
The partially coherent overall approach proposed by the tenderer, the only partial identification and addressing of all important topics within the project and incomplete correlation degree	5 points
Incomplete overall approach proposed by the designer and limited identification/addressing of important topics	0 points

P5. Adequate planning of human resources and activities proposed by the Tenderer

Breakdown of all sub-activities composing the specific activities foreseen	10 points
Partial detailing of the sub-activities, without taking into account the specific situations of the investment location, the available resources, the specific conditions of the deposit, etc.	5 points
Generic Topic Handling	0 points

P6. Deadline for the submission of the feasibility study undertaken by the Tenderer

No more than 4 months from the date of signing the contract by both parties	10 points
5 - 6 months from the date of signing the contract by both parties	6 points
7-8 months from the date of signing the contract by both	4 points

parties	
More than 8 months from the date of signing the contract by both parties, but not more than 12 months	2 points

P7. Offered price

For the lowest offered price, 40 points are awarded.

The rest of the offers will be calculated according to the formula:

$$P = (\text{lowest offered price}/\text{offered price}) * 40$$

Total score = 100 points

For each tenderer, the score will be calculated as follows:

$$\text{Total score} = P1 + P2 + P3 + P4 + P5 + P6 + P7$$

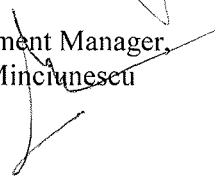
Specification:

In order to assess points P1, P2, P3, the tenderers shall submit documents showing the tenderer's experience in elaborating market, technical and economic analyses (concluded and executed contracts).

Economic Manager,
Gabriela – Izabela Mantu



Development Manager,
Andrei Minciunescu



Production Manager,
Irina Muller