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This Purchase Order (hereinafter referred to as “**Purchase Order**” and/or “**Contract**”) is made and entered into as per the date herein before stated in the Purchase Order by and between;

1. **SAUDI ARAMCO SHELL REFINERY COMPANY (SASREF)**, a Saudi Arabian Limited Liability Company, holding Commercial Registration Number No. 2055000925, and having its principal office address at P. O. Box 10088, Madinat Al-Jubail Al-Sinaiyah 31961, Kingdom of Saudi Arabia (hereinafter referred to as 'the “**Company**’'), and;
2. **The Vendor** as stated in the Purchase Order (hereinafter referred to as “**Vendor**”).

Whereas, the Company is operating a Crude Oil Refinery with related facilities, in Jubail Industrial City in the Kingdom of Saudi Arabia, and;

Whereas, the Company desires the Vendor to carry out this Contract and its Schedules & Appendices specified herein to supply the Materials (“**Materials**”), and;

Whereas, the Vendor is willing to undertake Schedules & Appendices to supply the Materials specified in accordance with the terms and conditions of the Contract and price specified herein;

Whereas, the Company accepts the offer provided by the Vendor;

It is therefore, hereby agreed as follows:

1. DEFINITIONS:

Contract: Means these Purchase Order terms & conditions, the Schedules, Appendices, and relevant documents incorporated therein, as agreed in writing by the parties.

Vendor: Means the party so named in this Contract and includes the Contractor's successors and legally authorized assignee.

Business Day: Means a day, other than a Friday or a Saturday, on which banks are open for business in the Kingdom of Saudi Arabia.

Materials: Shall include all raw and shaped materials as well as finished parts, units, installations, machinery, constructions and/or property of every kind and description specified in this Contract.

Supplier Portal: Means the Company’s Supplier Relationship Management Portal electronic application which is hosted by the Company on the internet.

2. NATURE OF CONTRACT

- (a) This Contract shall be considered accepted upon Company’s receipt of an acknowledgment issued electronically to the Vendor and received on the



Company's Supplier Portal or, only if requested by the Company, signed by Vendor. However, commencement of performance by Vendor based on this Contract, if known to Company, shall also constitute acceptance of this Contract without reservation, whether or not Vendor has signed and returned the acknowledgment sheet. Any additions, limitations, or other modifications to this Contract set forth in Vendor's quotation, acceptance or otherwise shall be of no force or effect unless set forth in this Contract.

- (b) Any technical data, specifications, standards, drawings, designs and the like attached to, referenced in, or later incorporated into Schedule (II) of this Contract by a Change Order as provided in Clause 3 ("**Company's Data**") forms a part of this Contract.
- (c) This Contract contains all the terms and conditions applicable to this purchase and it supersedes any prior correspondence, proposals or agreements, written or oral, not set forth in this Contract.
- (d) If any provision of this Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
- (e) No waiver of a right by either party shall be effective unless made expressly and in writing by such party.
- (f) The rights of the Company and Vendor herein are not exclusive and shall not limit either party's right to avail itself of any other remedy.

3. CHANGES

- (a) At any time, the Company may make a change within the general scope of this Contract by issuing a notice issued via the Company's Supplier Portal ("**Change Order**"). The Vendor shall proceed with this Contract as changed and directed by the Company pursuant to the said Change Order. Changes may include but not limited to changes in the technical aspects of the Materials, method of shipment or packing, inspection standards and place of delivery. If a change affects the purchase price or delivery date, the Company and the Vendor shall mutually agree upon an equitable adjustment in the same. The change, including and not limited to any such adjustments, shall be set forth by the Company and acknowledgment by the Vendor through the Supplier Portal
- (b) Unless otherwise agreed in writing by the both parties, any claim by the Vendor for adjustment in the purchase price or delivery date must be received by the Company, in writing, within ten (10) days following receipt by Vendor of any direction from the Company which Vendor believes constitutes a change. Vendor shall make available, for examination by the Company, relevant books and records supporting Vendor's request for adjustment.

4. COMPANY'S REMEDIES: WARRANTY AND REJECTION

- (a) The Vendor shall, and undertakes to procure that its personnel shall, co-operate with the Company and its employees, officers and agents, in providing the Materials to the Company.
- (b) The Vendor hereby warrants and represents to the Company that:
 - (1) the Materials shall conform in all respects to the specifications or other requirements for the Materials set out in the Contract or any Change Order



- or, if not specified in the Contract or any Change Order, to the normal and customary specifications and quality for such Materials and shall conform to the Company's Data, be new and unused, of high quality and workmanship within generally recognized industry standards, and shall be fit for the purpose or use for which they are bought to the extent such purpose or use is known or reasonably should be known to the Vendor;
- (2) The Materials shall be free from any and all defects and upon delivery to the Company, the Vendor shall convey clear title to the Materials free of any lien, encumbrance or security interest.;
 - (3) if sold by sample, the Materials shall conform to the sample, to any sample test result provided by the Vendor and to any sample test result obtained by the Company or a third party testing laboratory retained by the Company; and
 - (4) The Materials shall be capable of being used by the Company in accordance with applicable laws and regulations.
- (c) If applicable and requested by the Company, and the Materials are found not to conform to the foregoing warranties at any time **“Warranty Period”** within eighteen (18) months following the date of acceptance of the relevant Materials by the Company, twelve (12) months from commencement of first use in Saudi Arabia by the Company or, where Materials have been installed under supervision or with the advice of Vendor’s personnel, within twelve (12) months of the date of acceptance by the Company of the installation works, whichever is earlier, the Company may require the Vendor to repair or replace non-conforming Materials at Vendor's sole cost and risk including the cost of transportation, and where Vendor’s personnel supervised or advised upon such installation previously the Company may require Vendor’s personnel to supervise or advise upon the reinstallation. Should Vendor fail to repair or replace non-conforming Materials, the Company may repair or replace such Materials either itself or through others and charge the incurred cost thereof to Vendor without Vendor consent. In either case, the warranty period of twelve (12) months shall be extended for a further twelve (12) months from the date of the redelivery or reinstallation, as the case may be, provided that successive redeliveries or reinstallations under this clause may not result in a total warranty period of greater than [three (3)] years.
- (d) The repaired or replacement Materials will be subject to the same warranties and standard of performance as those required under this Contract in respect of the original Materials, provided always that the Warranty Period shall commence on the date of replacement or repair of the Materials.
- (e) The Vendor shall promptly (and in any event, within five (5) business days) provide the Company with written progress reports, evidence and/or information concerning the progress of its obligations under the Contract as may be requested by the Company from time to time.
- (f) This Clause shall be additional to, and without prejudice to, the Company's other rights under any specific warranties provided by the Vendor or its personnel in respect of the Materials.
- (g) The Vendor agrees to defend, indemnify and hold harmless the Company, its directors and employees against any and all damage, liability, loss or expense



arising out of any claim by a third party alleging infringement of a patent, copyright, trademark or trade secret.

- (h) If at any time prior to or within six (6) months following receipt of the Materials by the Company in Saudi Arabia the Company determines that the Materials, or any portion thereof, are not strictly in conformance with the terms of this Contract, the Company may in its sole discretion: reject, refuse acceptance of or revoke acceptance of any or all of the Materials and cancel the order without any obligation to Vendor. In addition, the Company may, at any time, revoke its acceptance of the Materials and cancel the order without obligation to Vendor should the Company discover latent defects in the Materials. All costs incurred by the Company as a result of such revocation of acceptance or cancellation shall be for the account of Vendor.

5. INSPECTION

- (a) The Company shall have the right to inspect and investigate and examine by its self or through a third party the Materials, test or witness Vendor's tests of the Materials, and otherwise review Vendor's performance prior to delivery and acceptance of the Materials.
- (b) The Company shall exercise such right at reasonable times in a manner which does not unreasonably interfere with Vendor's operations. The Company's exercise of such right (including any approval of Vendor's drawings or approval of the Materials for shipment) or waiver of the same shall not relieve Vendor of any of its obligations under the Contract nor constitute acceptance of the Materials.

6. PACKING AND DELIVERY

- (a) If the Materials are not packed and marked in accordance with the Company's packing specifications and marking instructions and must be repacked or remarked, the cost shall be borne by Vendor. Materials supplied against a single line item which consist of more than one component may be assembled or individually packed, but all components shall be delivered at the same time. Any Materials partially delivered may be rejected by the Company at its sole discretion unless otherwise agreed in writing.
- (b) All shipments and deliveries shall be strictly in accordance with the requirements of this Contract. Vendor shall promptly notify the Company, in writing, of any anticipated or actual delay, the reasons for the delay and the actions being taken by the Vendor to overcome or minimize the delay. Such notification shall in no way relieve Vendor of its obligations under this Contract. The Vendor shall provide the Company with all required and customary certificates, test data, manuals, certificates and technical information and documentation relating to the , including, but not limited to, certificates of origin, weight certificates, material test certificates, non-destructive testing results, pressure test results, as specified in the Contract or any Change Order, or as is otherwise customary for the type of Materials that is the subject matter of this Contract and for the mode of delivery set out in the Contract or any Change Order. The Vendor agrees that any and all costs and/or expenses related to the provision of such documents are included in the price of the Contract

7. LIQUIDATED DAMAGES

If the Vendor fails to deliver all of the Materials to the place of delivery specified in the Contract or any Change Order by the corresponding delivery date then the Vendor shall pay or allow to the Company liquidated damages in an amount equal to one per cent (2.5%) of the price of the Contract (and in the same currency as the price) for each week (or part thereof) that delivery of the Materials is delayed beyond the corresponding delivery date (the "Delay Liquidated Damages"). The Vendor agrees that the Delay Liquidated Damages represent an agreed genuine estimate of the actual losses likely to have been suffered by the Company as a result of such delay. The Vendor's maximum liability in respect of Delay Liquidated Damages shall not exceed (ten 10%) per cent of the total Contract value. If, after any deduction or payment of delay liquidated damages under this clause, an extension to the relevant delivery date is made by agreement of the Company, any damages previously paid or allowed in respect of the period of such extension shall be refunded or recredited. Nothing in this clause shall operate to prevent the Company from exercising any other right hereunder or according to law, including the right to seek compensation for any losses not compensated by the Delay Liquidated Damages.

8. TITLE AND RISK OF LOSS

Except as provided in Clause 9, risk of loss and title to the Materials will transfer to the Company when the Materials are accepted by the Company and delivered as directed by the freight terms in this Contract.

9. RISK OF LOSS FROM NON-IMPORTABILITY

The Company and Vendor agree that Vendor shall reimburse the Company for any loss (not to exceed the purchase price of the Materials plus cost of transportation) the Company may sustain in the event that Materials delivered or to be delivered hereunder are not permitted by Saudi Arabia Customs or other governmental authorities to be imported into Saudi Arabia in consequence of its laws or administrative practices.

10. SUSPENSION OR CANCELLATION FOR COMPANY'S CONVENIENCE

(a) Suspension

The Company may suspend performance of all or any part of this Contract for its convenience by giving Vendor written thirty (30) days' notice specifying the part to be suspended and the effective date of such suspension. Vendor shall immediately suspend all activity on the suspended part of this Contract immediately or on the effective date of suspension and take all action necessary to preserve and protect Materials, work in progress, completed Materials and related plans and drawings. The Company shall reimburse Vendor, subject to audit, unavoidable costs incurred as a direct result of such suspension (including costs incurred in preserving and protecting Materials, work in progress, completed Materials and related plans and drawings), as well as any such costs of reassembling personnel and equipment when performance is resumed.

(b) Cancellation

The Company may cancel all or any part of this Contract for its convenience by giving Vendor fifteen (15) days written notice of such cancellation. The Vendor



shall cease all activity on the cancelled part of this Contract immediately or on the effective date of cancellation and take all action necessary to preserve and protect Materials, work in progress, completed Materials and related plans and drawings. The Company shall pay Vendor, subject to audit, any unavoidable direct costs actually incurred as a direct result of such cancellation (including reasonable cancellation charges actually paid by Vendor to its sub-suppliers and reasonable costs incurred in preserving and protecting Materials, work in progress, completed Materials and related plans and drawings). However, in no event shall the amounts payable to the Vendor for cancellation under this clause exceed the total price of this Contract less payments otherwise made to and amounts otherwise realized by Vendor through the sale, transfer or other disposition or use of materials related to the cancelled part of this Contract and as further reduced by the purchase price of any part of this Contract not cancelled.

For the avoidance of any doubt, Vendor must make all reasonable efforts to resell any Goods or Materials that are affected by such cancellation. For Goods and Materials that are, in the reasonable opinion of the Company, easily resalable compensation in respect of cancellation shall be limited to ten [10%] of the price for those Goods or Materials, together with reasonable actual transportation costs necessary to return the Goods or Materials to Vendor's premises or other location where the Materials may be resold provided always that the said value shall be capped up to the to the equal to return the Goods and Material back to the Ex work location which shall be as agreed in writing with the Company). Where affected Goods or Materials are not easily resalable (e.g. because of non-standard or bespoke design) in the reasonable opinion of the Company, then the Vendor must, in consultation with the Company, discuss all reasonable methods of modifying the Goods or Materials to maximize their resale ability.

11. CANCELLATION FOR CAUSE

If Vendor commits any substantial breach of this Contract, or Vendor becomes bankrupt, insolvent or unable to meet its financial obligations, the Company may cancel this Contract without any liability to Vendor.

12. FORCE MAJEURE

- (a) Subject to this clause, neither party shall be liable for non-performance or late performance of any obligation under this Contract to the extent that the relevant party's performance of such obligation is prevented by an event of Force Majeure.
- (b) For the purpose hereof "Force Majeure" shall mean an event or circumstance set out below occurring or continuing after the date of this Contract and which is beyond the reasonable control of the affected party, acting prudently and reasonably, and without the fault or negligence of the affected party, that directly prevents or delays the performance of such party's obligations under this Contract.
- (c) The events of Force Majeure are: (a) weather or climactic condition, flood, fire, storm, sand storm, lightning, tsunami, cyclone, hurricane, typhoon, tornado, earthquake, epidemic or other natural disasters or acts of God resulting in a declaration of a state of emergency by the competent authorities; (b) acts of war or insurrection, such as declared or undeclared war, invasion, acts of foreign enemies, civil war, uprising, guerilla activity, riot, acts of terrorism, or any other



hostilities; and (c) strikes or lockouts of widespread application and which are not localized to the Vendor and/or its personnel; but, for the avoidance of doubt, shall not include: (i) any inadequacy of funds or financing; (ii) any event to the extent that the event is caused or contributed to by an act or omission of the party relying on it or persons for whom that party is responsible (including, in the case of the Vendor, any of its personnel); (iii) government action, including the coming into effect, amendment of or enforcement of any laws, rules, regulations, directives or orders promulgated by any governmental authority or body having, or claiming to have, jurisdiction over the parties or the operations hereunder after the date of this Contract as well as government inaction, such as failure or delay in granting import licenses or other government permits or authorizations required to perform the activities contemplated hereby; or (iv) any weather or climactic condition, flood, fire, storm, sand storm, lightning, tsunami, cyclone, hurricane, typhoon, tornado, earthquake, epidemic or other natural disasters or acts of God that is foreseeable or expected, having regard to the location, or which otherwise does not result in a declaration of a state of emergency by the competent authorities;

- (d)** In the event that a party is unable to perform its obligations under this Contract due to a Force Majeure event, it shall, not later than five (5) business days after becoming aware of such occurrence, notify the other party in writing of: (a) the full detail, nature and anticipated duration and effect of the Force Majeure event; (b) the effect of the Force Majeure event on that party's performance of its obligations under this Contract; and (c) the actions to be taken to mitigate the effects of such Force Majeure event, and the other party shall (acting reasonably) confirm as soon as practicable whether or not it approves or rejects such notice.
- (e)** If either: (i) the affected party does not deliver a notice in accordance with this clause; or (ii) the other party to whom a notice is served in accordance with this clause has rejected such notice, then, subject to this clause, the affected party shall not be entitled to invoke the relief granted hereunder in respect of such Force Majeure event.
- (f)** If the affected party has delivered a notice in accordance with this clause and either: (i) the other party has approved such notice; or (ii) the other party has rejected such notice and it is subsequently determined pursuant by a final judgment of a competent court or arbitral tribunal that such rejection was unreasonable, the affected party shall be entitled to the relief granted under this clause in respect of such Force Majeure event from the date on which it first served a notice that complies with this clause.
- (g)** The party which is unable to perform its obligations under this Contract due to a Force Majeure event shall use its best efforts to mitigate the effect of such event on its performance under this Contract.
- (h)** Where the period of delay in the performance of a party's obligation under this Contract due to any Force Majeure event(s) exceeds three (3) consecutive months, the Company shall be entitled in its sole discretion to terminate immediately this Contract by giving written notice to the Vendor.



13. PAYMENT

(a) At time of shipment, Vendor shall submit invoices through the Company's Supplier Portal to process payment. Except as provided elsewhere in this Contract, original payment of such invoices shall be made promptly upon receipt of all of the Materials or proof of shipment of all of the Materials. Proof of shipment is the carrier's signed freight bill or similar document evidencing shipment of Materials to the Company. The time for payment of invoices, less any discounts offered, shall only start from date the Company receives a correct invoice through the Supplier Portal and when all of the Materials and/or proof of shipment of same has been received by the Company. For the avoidance of any doubt, the Company and Vendor may agree in writing to partial payment on a case to case basis.

(b) Payment instructions

The Company shall make the payment to the Vendor after thirty (30) days of submitting the duly approved invoice in Supplier Portal , where the Vendor shall have to input the following information:

- (1) Confirm and/or acknowledge the purchase order.
- (2) General Receipt (GR) (proof of shipment and/or receipt of Materials) notification will be sent to the supplier [Portal](#).
- (3) Create the invoice through the [Portal](#).
- (4) If VAT is applicable the Vendor's invoice must comply with all Kingdom of Saudi Arabia legal requirements and the Vendor's invoice must state amongst others:-
 - (a) Invoice language shall be in Arabic and English
 - (b) Purchase Order Number.
 - (c) Invoice Number.
 - (d) Vendor VAT Number.
 - (e) SASREF full name.
 - (f) In a separate line the percentage of VAT.
 - (g) In a separate line the value of VAT in Saudi Riyals.

The Vendor acknowledges that in the event any of the above requirements are not done in the Company's Supplier Portal , this shall delay the payment process by the Company.

14. SUPPLIER PORTAL

(a) Through a user-friendly web-based platform accessible on its website, the Company makes business information available to prospective Vendors and provide registered Vendors with means of secured on-line business communications. Registered Vendors who use the **Supplier Portal** will be issued with a unique secret password, enabling them to interact on-line with the Company and to perform a business activity or complete a transaction through the use of electronic transmissions.

(b) The Company shall, in accordance with and in compliance of the Saudi Electronic Transactions Law (Royal Decree Number 18/M dated (H) 1428/3/8 corresponding



to 27/3/2007 and Royal Decree No. M/57 Dated 01/08/1436H corresponding to 19/05/2015 and as maybe amended by law) capture and retain accurate electronic records of all such business communications received, together with the identity of Vendor and the exact time of receipt ("Business Documents").

- (c) By accessing and making use of the **Supplier Portal** and transmitting and/or receiving any Business Documents, it shall be deemed that Vendors have unconditionally and irrevocably agreed that all such electronic stored Business Documents shall be binding on the parties to the same extent as if such documents were executed and exchanged in customary documentary (hard copy) format.

15. RIGHT OF SET-OFF

Upon written notice, any sum payable to Vendor by the Company under this Contract may be set off by the Company against any sum payable to the Company by Vendor under this Contract or other agreements between the Company and Vendor.

16. TAXES

- (a) All taxes arising out of this transaction shall be borne by Vendor. Vendor warrants that the purchase price is in accordance with applicable government pricing regulations and is exclusive of import tariffs and other taxes not levied on export orders.
- (b) Except where express provision is made to the contrary in this Contract, any consideration payable under any other clause in this Contract is exclusive of any value added tax or goods and services tax or the like ("VAT"). If VAT is imposed on any supply made under this Contract by any party ("supplier") to another party ("recipient"), the supplier may recover from the recipient an amount calculated by multiplying the prevailing VAT rate by the value of that VAT exclusive consideration, in addition to any VAT exclusive consideration in respect of the supply paid or payable by the recipient under any other clause in this Contract. Any amount recoverable from the recipient under this clause shall be calculated without any deduction or set-off of any other amount. Any amount recoverable under this clause is payable by the recipient upon demand by the supplier provided always that the supplier will issue a tax invoice to the recipient prior to the payment becoming due. If it is determined, on reasonable grounds, that the amount of VAT paid or payable by the supplier to the Department of Zakat and Income Tax on any supply made under this Contract differs for any reason from the amount of VAT recovered or recoverable from the recipient in respect of that supply, that latter amount shall be adjusted accordingly.

17. ASSIGNMENT BY COMPANY

- (a) The Company may without the consent of the Vendor assign or novate any or all of its rights, benefits, obligations and/or liabilities under this PO to a third party. Pursuant to any such assignment or novation, the Company may without the consent of the Vendor assign or novate such rights, benefits, obligations and/or liabilities to the lawful successor to (or any party acquiring) all or



substantially all of the Company's interest. The Company shall notify the Vendor prior to carrying out any such assignment or novation.

- (b) In the event that the Company so requires, the Vendor shall enter into an agreement (in the form set out by the Company in the annex A) transferring the Company's rights and obligations under this Contract to any permitted assignee under this Sub-Clause. The Vendor irrevocably undertakes to procure the reissuance in favour of the relevant assignee of the benefit of the Performance Security and the Parent Company Guarantee as determined by the Company.

18. PROTECTION AGAINST INFRINGEMENT

Vendor warrants that the Materials do not infringe any patent rights, copyrights, trademarks or trade secrets owned or controlled by any third party, either in the country of manufacture or use. Vendor agrees to defend, indemnify and hold harmless the Company and its affiliated and related companies against any and all liability, loss or expense arising out of a patent, copyright, trademark infringement or trade secret misappropriation claim relating to the Materials.

19. CONFIDENTIALITY OF INFORMATION

Vendor shall safeguard, treat as confidential, and shall not divulge any of Company's Data in this Contract **including** all its appendices to anyone other than Vendor's suppliers and persons designated in writing by the Company, so long as, and to the extent that, such of Company's Data and this Contract and its appendices does not become part of the public domain, does not correspond to information furnished or made known to Vendor on an unrestricted basis by a third party, or was not within Vendor's possession at the time of disclosure. Should Vendor or any of its suppliers desire to publish or release any publicity or public relations material of any kind concerning or relating to this Contract or to Vendor's or its suppliers' activities in connection with this Contract, Vendor shall first submit such material to the Company for review. The Vendor shall not publish or release, and shall ensure that its suppliers do not publish or release, any such material without the Company's prior written approval.

20. TITLE TO TECHNICAL DATA

The Company's Data shall remain the Company's property and shall be returned upon the Company's request. All designs, drawings and calculations prepared by Vendor for the Company shall become the Company's property. All rights to any invention, process or technology developed for this Contract shall become the Company's property.

21. CONFLICT OF INTEREST

Subject to the Company's policies and procedure and except for customary promotional material and occasional business entertainment, limited in value in any instance to the reasonable cost of a lunch or dinner, Vendor shall not give, directly or indirectly, any money, personal services, credit, or other thing of value to the Company or any employee of the Company or its affiliated or related companies, or to its agents or contractors, in order to influence the award of this Contract, its terms, performance, administration, extension or cancellation. Vendor by acceptance of this Contract confirms that to the best of its knowledge no such gifts have been made, that it will use

its best efforts to ensure, that none is made and that it will inform the Company at once should it hereafter learn that any such gift has been made. Any violation of this provision shall constitute a material breach of this Contract which, without prejudice to the Company's right to enforce any other remedy provided by law, shall empower the Company to cancel this Contract and claim damages, including, but not limited to, increased costs incurred by the Company as a result of such breach.

22. HAZARDOUS OR CHEMICAL MATERIALS

If the Materials are, or include, chemical products or raw materials, the Vendor shall provide the Company with the Material Safety Data Sheet ("MSDS") as required under applicable law. The MSDS shall be written in Arabic, English and any other language specified in the Contract. If the Materials are, or include, products or materials which are considered to be dangerous or hazardous according to any applicable laws, the "UN Orange Book" or the "UN Purple Book", the Vendor shall: (a) clearly attach safety labels on the relevant Materials or part of the Materials in compliance with such applicable laws, the "UN Orange Book" and the "UN Purple Book"; and (b) transport or ship such Materials in accordance with the "International Maritime Dangerous Materials Code", the "IATA Dangerous Materials Regulations", the "European Agreement concerning the International Carriage of Dangerous Materials by Road" and applicable Saudi Arabian laws. If the Vendor becomes aware of any hazardous or dangerous attribute of any chemical substance constituting or contained in the Materials which is not already identified in the MSDS or the safety labels or if the item's classification changes and such changes have not previously been communicated to the company, the Vendor shall inform the Company in writing thereof within five (5) business days of the date on which it became aware (or should have become aware in accordance with good industry practice).

23. PERFORMANCE SECURITY

If requested by the Company, the Vendor shall within Ten (10) days from the Purchase Order date provide, at its own cost, the following performance security : (a) a parent company guarantee in respect of all of the Vendor's obligations under this Contract in a form acceptable to the Company; (b) an unconditional and irrevocable performance bond issued by a Saudi Arabian bank or other Saudi Arabian financial institution licensed by the Saudi Arabian Monetary Authority (SAMA) for an amount specified in the Contract or any Change Order. The performance bond shall be issued in favor of the Company, shall remain valid until the Vendor has fulfilled its obligations under this Contract and otherwise be in a form acceptable to the Company; and (c) an unconditional and irrevocable advance payment bond for the full amount of the advance payment (or as otherwise specified in the Contract or any Change Order) issued by a Saudi Arabian bank or other Saudi Arabian financial institution licensed by the Saudi Arabian Monetary Authority (SAMA). The advance payment bond shall be issued in favor of the Company, shall remain valid until the advance payment has been repaid in full and shall otherwise be in a form acceptable to the Company. Compliance with this clause 20 shall be a condition precedent to the Vendor's entitlement to any payment of the price under the Contract.



24. INSURANCE

- (a) If requested in writing by the Company, the Vendor shall, at its own cost, procure and maintain (and shall procure that its personnel procure and maintain) throughout the term of the Contract the following insurances together with such other insurances as may be required by applicable laws in connection with the performance of the Contract (each an "Insurance Policy" and together, the "Insurance Policies"):
- (1) unless not required in accordance with the Incoterm (if any) specified in the Contract or any Change Order, "All Risk Marine Insurance" which shall include coverage for inland transportation covering loss of, or damage to, the Materials for a value of no less than one hundred and ten per cent (110%) of the value of the consignment. Such insurance shall cover the Materials from the time they leave the Vendor's warehouse until the time they are delivered to the delivery point nominated by the Company;
 - (2) "Automobile Liability Insurance" covering bodily injury, sickness or death of any person, or for loss of or damage to property by any vehicle whether owned, hired or used by the Vendor. Such Insurance Policy shall be in an amount of no less than the higher of (A) the statutory limit for Automobile Liability Insurance in Saudi Arabia as at the date of this Contract and (B) SAR 10,000,000 (ten million) per occurrence;
 - (3) "Comprehensive General Liability (CGL) Insurance" covering death and personal injury sustained by any person and loss of or damage to any property arising out of or in connection with the Materials and/or the performance of the Contract. Such Insurance Policy shall be maintained in an amount of no less than US\$ 2,000,000 (two million) for any one occurrence, shall provide for contractual liability and shall not exclude professional negligence, any property of the Company or any of its affiliates, or any third party property which is under the care, custody or control of the Vendor; and
 - (4) if performance of the Contract requires the Vendor to enter any of the sites of the Company or any affiliate for the performance of the Contract, "Workmen's Compensation Insurance" covering the Vendor's personnel whilst engaged in the performance of the Contract. Such Insurance Policy shall be in an amount of no less than the higher of (A) the statutory limit for Workmen's Compensation Insurance in Saudi Arabia as at the date of this Contract, and (B) US\$ 1,000,000 (one million) per occurrence, shall cover compensation for affected personnel as required under Saudi Arabian law and shall include overseas travelers' personal accident insurance and/or similar statutory social insurance.
- (b) The Vendor shall ensure that the Insurance Policies are effected and maintained with a financially sound and reputable insurer(s) with a rating of at least A- from Standard & Poor's, or with such other insurer(s) as may be approved by the Company.
- (c) The Vendor and its personnel shall not deliver any Materials to the Company until the Insurance Policies are in full force and effect.



- (d) If the Vendor fails to effect and/or maintain any Insurance Policy, the Company may, without prejudice to any of its other rights or remedies under the Contract, effect and maintain any such Insurance Policy and may from time to time deduct from any amount due to the Vendor under the Contract any premium which the Company shall have paid to the insurer (together with the reasonable expenses incurred by the Company in procuring such insurance) or otherwise recover such amount as a debt due from the Vendor.
- (e) If specified in the Contract or any Change Order, the Vendor shall ensure that the relevant Insurance Policy shall include each of the Company and its affiliates, the Vendor, its personnel and/or specified third parties as co-insureds, and all insurers' rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such Insurance Policies.
- (f) The Insurance Policies shall include a cross liability clause such that the co-insureds are regarded as third parties to each other.
- (g) The Vendor (or, as the case may be, its personnel) shall bear all deductibles under the Insurance Policies.
- (h) If requested by the Company from time to time, the Vendor shall provide to the Company certificates evidencing that the Insurance Policies required to be maintained by the Vendor under this clause are in full force and effect. Each Insurance Policy shall provide that the Company is entitled to not less than forty (40) business days' prior written notice from the insurers prior to any cancellation, termination or alteration of cover.
- (i) The Vendor shall not (and shall procure that its personnel shall not), do or omit to do anything whereby the Insurance Policies (or any of them) may be or become void or voidable.
- (j) Each Insurance Policy shall serve as primary with respect to the interest of the Company (and, if applicable and its affiliates) and any other insurance maintained by the Company is excess and not contributory with such Insurance Policies.
- (k) The Vendor shall (and shall procure that its personnel shall) manage, maintain and provide all documentation required to comply with the requirements of the Insurance Policies, and to recover any claims thereunder.
- (l) Each party shall promptly notify the other; party of any actual or potential claim under any of the Insurance Policies but only to the extent that it relates to the Materials. Each such notice shall be accompanied by full details of the incident giving rise to the claim. Each party shall afford the other party all such assistance as may be reasonably required for the preparation and negotiation of any claim under any insurance maintained pursuant to the Contract.

25. CONTINUING OBLIGATIONS

The provisions of the following clauses are continuing ones and their continuing, binding effect shall survive the completion or cancellation of this Contract: Clauses 4, 15, 16, 17, 18, 19, 20 and 21.



26. INTERPRETATION

- (a) If, at any time, one or more provisions of this Contract is or becomes illegal, invalid or unenforceable in any respect under the law of any applicable jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other applicable jurisdiction shall in any way be affected or impaired thereby. The parties shall endeavor to replace the illegal, invalid or unenforceable provision with a new provision that reflects and is as closely related to the original intention of the parties.
- (b) No failure or delay by a party to exercise any right or remedy provided under this Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- (c) The Vendor shall not be entitled to sub-contract, transfer and/or assign any of its obligations under this Contract, without the prior written consent of the Company. In the event that the Vendor does so assign, transfer or sub-contract without the prior written consent of the Company, such act shall be void. If the Company consents to such sub-contracting, transfer or assignment, the Vendor shall be responsible for the acts, omissions or defaults of its subcontractors, transferees or assigns as if they were the acts, omissions or defaults of the Vendor.
- (d) In the event that the Vendor does not pay an authorized sub-contractor, the Company shall have the right to pay that sub-contractor and to charge such cost to the Vendor.
- (e) No modification of this Contract shall be effective between parties unless it is a written amendment, expressly stated as such, and signed by both parties, provided always that the Company may issue a Change Order at any time by electronic means.
- (f) Neither custom nor usage of trade shall be considered in interpreting this Contract except where expressly provided in this Contract.
- (g) All headings are inserted solely for convenience and shall not be taken into consideration in the interpretation of this Contract.
- (h) In this Contract, the terms "EXW", "FCA", "CPT", "CIP", "DAT", "DAP", "DDP", "FAS", "FOB", "CFR" and "CIF" shall have the meanings given to those terms in the Incoterms 2010 published by the International Chamber of Commerce.

27. GOVERNING LAW, SETTLEMENT AND DISPUTES

- (a) The Company and the Vendor agree that the law of the Kingdom of Saudi Arabia shall govern this Contract.
- (b) With respect to any and all disputes between the Vendor and the Company, all claims by the Vendor against the Company relating to the Contract shall be submitted in writing to the Company. The parties in the first instance shall apply all reasonable efforts to achieve an amicable resolution of the dispute(s) addressed in the Contractor's claim. If amicable settlement cannot be reached, the dispute(s) shall be settled by Arbitration, in accordance with the Arbitration Regulation of the Kingdom of Saudi Arabia issued by the Royal Decree No. M/34



dated 24/05/1433H and the applicable law will be Saudi Law. The Arbitration shall be conducted in the Kingdom of Saudi Arabia. The Arbitration decision shall be final and binding on the parties.

- (c) Notwithstanding any dispute relating to the Contract, the Vendor shall proceed diligently to perform on a timely basis all requirements of the Contract pending final resolution of such dispute. Any failure of the Vendor to proceed on such basis shall be a default under the Contract for which the Company may, in addition to any other rights or remedies it may have, terminate the Contract.

28. NOTICES

- (a) **Form of Notice:** Any Notice and other communications required by the Contract between the parties must be in writing.
- (b) **Method of Notice:** A notice or other communication under this Contract will be deemed to have been received as follows:
- (1) In the case of fax twelve (12) hours after the time of confirmation of dispatch
 - (2) In the case of courier, when delivered.
 - (3) In the case of delivery by hand, when delivered.
 - (4) In the case of electronic mail, when confirmed by return email from the recipient or received in readable form.
- (c) In all of the above an electronic mail have to be sent in parallel.