



GENERAL TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS:

In these General Terms and Conditions of Purchase:

- 1.1 The 'Day' or 'Week' shall mean a calendar day or week unless otherwise specified. The dates and periods as per Gregorian calendar shall be followed for the purpose of the Purchase Order.
- 1.2 The 'Goods' shall mean those goods, commodities, materials or other articles described in the Purchase Order, including the constituent parts or materials of which the Goods are comprised and/or Services provided by Seller relevant to the supply of such Goods.
- 1.3 The 'Party' or 'Parties' shall mean in singular either the Purchaser or Supplier and in the plural both the Purchaser and Seller.
- 1.4 The 'Price' means the total value as stated on the face of the Purchase Order.
- 1.5 The 'Purchaser' shall mean Qatar Petroleum (Q P).
- 1.6 The 'Purchase Order' shall mean the written agreement for the supply of Goods and/or Services provided by Seller relevant to the supply of such Goods, on the terms and conditions set out in these General Terms and Conditions, in the specification and in any other relevant documents attached hereto or referred to herein.
- 1.7 The 'Seller' shall mean the person, firm or company named as such on the face of the Purchase Order.
- 1.8 The 'Seller Personnel' shall mean all individuals, whether employees of Seller or not, provided and/or engaged in the Goods and/or Services by the Seller.
- 1.9 The 'Services' shall have the meaning as specified in Article 25.
- 1.10 The 'Site' means all the places within the State of Qatar as designated by the Purchaser where the Services are to be performed.
- 1.11 The 'Specification' means the Purchaser's description of the Goods to be supplied by the Seller set out in the Purchase Order or in any other document or documents referred to therein. Such Specification shall incorporate all information necessary to fully define the goods to be supplied and shall include where necessary technical data, plans, drawings, relevant standards, quality requirements, etc.

2. ACKNOWLEDGEMENT:

Seller shall acknowledge receipt of the Purchase Order within five (5) calendar days after receipt thereof. Seller shall confirm complete delivery details within ten (10) calendar days of receipt of the Purchase Order. With its acknowledgment, Seller shall advise the name and title of the person within Seller's organization who will be responsible for controlling and coordinating the filling of the Purchase Order requirements.

3. PRICES:

As full compensation for supplying the Goods and performing all Seller's obligations under the Purchase Order, Purchaser shall pay Seller the Price. The Price shall not be subject to escalation nor increased as a result of any increase in Seller's costs nor adjusted for any reason except as may be provided in any change order issued by Purchaser.

4. INVOICE SUBMISSION:

Invoices are to be submitted within 30 days of material delivery. Claims for payment for materials delivered but not invoiced will not be accepted after 12 months from delivery date.

5. Payment:

Net 45 days after receipt by QP Finance Department of Seller's invoice together with the freight forwarder's certificate of receipt, where not delivered DDP.

6. DISCOUNTS:

Discounts shall be calculated from the date invoices are received in proper form and invoice shall be payable within 45 days of receipt by QP, unless otherwise agreed.

7. DRAWINGS:

In the event of any apparent inconsistency, inaccuracy or ambiguity in the specifications, drawings or other documents supplied by the Purchaser, the Seller will notify the Purchaser immediately and obtain instruction in writing before proceeding with the item in question. Any work performed after such discovery, until authorized in writing by Purchaser, will be at the Seller's risk and expense. The Seller will provide, at no extra cost to the Purchaser, detail drawings and other documents as mentioned in the Purchase Order. The Purchaser has the right to approve such detail drawings and other documents but such approval shall not relieve the Seller of any of his responsibilities under the Purchase Order.

8. **EXPEDITING:**

The Goods furnished under this Purchase Order, including all warranty work, shall be subject to expediting by Purchaser, Purchaser's representatives shall be afforded free access during working hours to Seller's plants, and Seller agrees to procure a similar right for Purchaser, for expediting purposes with respect to Seller's subcontractors and vendors. As required by Purchaser, Seller shall supply schedules, progress reports and unpriced copies of Seller's Purchase Orders and Subcontracts for Purchaser's use in expediting to: Purchaser's expediting office : QP, Navigation Plaza P.O. Box 3212, Doha, Qatar, Tel. 0974-4240 315, Fax 0974-4240 284. Seller shall notify Purchaser in writing of any actual or anticipated delays immediately upon discovery. Such notice shall include an estimated period of delay, cause, and corrective actions being taken.

The Purchaser may, in such case it deems necessary and in its sole discretion without prejudice to any other rights which it may have, cancel the Purchase Order and make such other arrangements as the Purchaser may consider necessary or desirable in the circumstances. Any additional expenditure incurred by the Purchaser in connection therewith shall be reimbursed by the Seller upon demand.

9. **SHIPMENTS:**

The Purchaser reserves the right to cancel this Purchase Order if the promised or specified delivery date cannot be achieved. The Purchaser reserves the right to return over shipments supplied against this Purchase Order with freight costs to the Seller's account. Code numbers and Purchase Order number must be shown on all invoices, packing slips and packages.

10. **QUALITY:**

The Purchaser shall have the right to inspection and approval. Inspection by the Purchaser, at the Seller's premises shall not constitute final acceptance, if defects are discovered at the Purchaser's place of business the freight costs, both ways, shall be for the Seller's account.

11. **WARRANTIES - GUARANTEES:**

11.1 Seller warrants that the Goods shall conform with the Specification and requirements of the Purchase Order and are free from failures and defects in design, material and workmanship. Unless otherwise stated in the Purchase Order, this warranty shall remain in effect ("warranty period") for the period of eighteen (18) months from the date of delivery or twelve (12) months from the date of installation, whichever occurs first, unless otherwise agreed.

11.2 At Purchaser's option, Seller shall, at no cost to Purchaser, promptly repair or replace defective Goods after receipt of Purchaser's written notice of a defect. Notice of defect or non-conformance shall be given by Purchaser within a reasonable time after discovery. The warranty stipulated in Clause 11.1 above shall apply to any repaired or replaced Goods.

11.3 Seller warrants good title to the Goods supplied hereunder by Seller, its sub-suppliers or vendors and that the Goods are provided free and clear of any liens, encumbrances or other security interest.

12. **TITLE AND RISK OF LOSS:**

Except as otherwise provided herein, all Goods furnished by Seller hereunder shall become the property of Purchaser upon payment therefore or upon delivery, whichever occurs earlier. Notwithstanding the foregoing, Seller shall be responsible for and shall bear any and all risk of loss or damage to the Goods until delivery thereof in accordance with the delivery provisions of this Purchase Order. Upon such delivery, risk of loss or damage shall pass to Purchaser; provided however, that any loss or damage, whenever occurring, which results from Seller's non-conforming packaging or crating shall be borne by Seller.

13. **PATENTS:**

Seller represents and warrants that the Goods are free from any claim of patent infringement and that any labels or trademarks affixed thereto are free from any copyright or trademark infringement and Seller agrees to protect, defend, indemnify, and hold harmless Purchaser from and against any such infringement claims and liability. Purchaser shall promptly notify Seller of any such claim. If the use or sale of any Goods is enjoined as a result of a legal action, Seller, at no expense to Purchaser, shall obtain for the Purchaser the right to use and sell said Goods or shall substitute equivalent Goods.

14. **PURCHASER'S RIGHTS IN SPECIFICATIONS, DRAWINGS, ETC.:**

All specifications, drawings, patterns or designs supplied by the Purchaser in connection with this Purchase Order shall remain the property of the Purchaser. Any information derived therefrom or otherwise communicated to the Seller by the Purchaser in connection with the Purchase Order will be kept strictly confidential by the Seller and will not be published or disclosed by the Seller to any third party, or made use of by the Seller (except for the purpose of implementing the Purchase Order) without the Purchaser's prior, written consent. All specifications, drawings, patterns or designs and all rights therein prepared by the Seller under the Purchase Order will become the property of the Purchaser as soon as they have been prepared and will be handed over to the Purchaser on completion or termination of the Purchase Order.

15. **TERMINATION:**

- 15.1 Purchaser shall have the right, by giving notice, to terminate the Purchase Order or all or any part of the Purchase Order at such time or times as Purchaser may consider necessary for any or all of the following reasons:
- 15.1.1 To suit the convenience of Purchaser;
 - 15.1.2 Subject only to Article 15.2, in the event of any default on the part of Seller; or
 - 15.1.3 If Seller becomes bankrupt or makes a composition or arrangement with its creditors or if a winding-up order of Seller is made or (except for the purposes of amalgamation or reconstruction) a resolution for its voluntary winding-up passed or a provisional liquidator, receiver, administrator or manager of its business or undertaking is appointed.
- 15.2 In the event of default on the part of Seller and before the issue by Purchaser of a notice of termination, Purchaser shall give notice of default to Seller giving the details of such default. If Seller upon receipt of such notice does not commence and thereafter continuously proceed with action satisfactory to Purchaser to remedy such default Purchaser may issue a notice of termination in accordance with the provisions of Article 15.1.
- 15.3 In the event of Purchaser giving Seller notice of termination of all or any part of the Purchase Order such notice shall become effective on the date specified therein (or in the absence of any specified date at the date of receipt of the notice) whereupon Seller shall immediately and in an orderly manner:
- 15.3.1 Cease performance of the Purchase Order or such part thereof as may be specified in the notice.
 - 15.3.2 **Deliver all materials and other items associated with the Purchase Order in their state of completion, whether such materials shall be in the possession of the Seller or of the Seller's suppliers.**
 - 15.3.3 Assign to Purchaser, or its nominee, to the extent desired by Purchaser, all or the relevant part of the rights, titles, liabilities and sub-purchase orders relating to the Purchase Order which Seller may have acquired or entered into; and
- 15.4 In the event of termination in accordance with article 15.1.1 the Purchaser shall pay the Seller for all work done and all equipment and materials delivered in accordance with the Purchase Order up to the time of termination.
- 15.5 In the event of termination in accordance with Articles 15.1.2 or 15.1.3 Seller shall be entitled to payment only for that portion of the Purchase Order satisfactorily completed in accordance with the Purchase Order. Any additional costs incurred by Purchaser as a result of Seller's default shall be recoverable from Seller.
- 15.6 The foregoing provisions of this article are without prejudice to any other rights and remedies to Purchaser under the Purchase Order or at law.

16. **LIABILITY:**

The Seller is considered an independent contractor and shall indemnify, protect and save harmless the Purchaser, its agents, employees, successors and assigns from any and all damages, liabilities and claims of whatsoever nature arising out of the supply by the Seller, its agents or employees of the materials and/or performing of the Services covered by this Purchase Order, or incidental or ancillary thereto.

17. **Audit:**

To verify Seller's compliance with the Purchase Order and these General Terms and Conditions of Purchase, Seller shall maintain and preserve documentation and data (including electronic data stored in computer systems) pertaining to Purchase Order and shall permit Purchaser to audit Seller's records including all books, papers, documents, and any other information that may have an effect on or be related to the Purchase Order and to examine same and interview Seller's personnel as necessary for Company to monitor and /or verify (a) the accuracy and propriety of the prices under the Purchase Order and these General Terms and Conditions of Purchase.. Seller shall cooperate fully with Purchaser in conducting any such audits. All audits will be conducted in accordance with generally accepted auditing standards and during normal business hours. Purchaser's right to audit shall remain in effect for a period of three (3) years after termination, cancellation or completed performance of the Purchase Order.

18. **LEGAL REQUIREMENT:**

The Seller shall conform strictly with all requirements of Qatar Law No. 6 of 1987, namely, that the supply of National Products or Products of National origin to government departments and agencies is mandatory to the extent that such materials are available in the quantity and quality required and within the price preference stipulated in Law No. 6.

19. **INTERPRETATION AND LAW:**

- 19.1 The Purchase Order shall be read and construed as a whole. Anything mentioned in any of the documents comprising the Purchase Order shall be of like effect as if stated or mentioned in all of them. In the event of any conflict between the various documents comprising the Purchase Order, the conflict shall be resolved by Purchaser.
- 19.2 The Purchase Order embodies the entire agreement between the parties. Neither party shall be liable for any statement, representation, promise or understanding not set forth therein. No changes, amendments or modifications of the terms and conditions of the Purchase Order shall be valid unless reduced to writing and signed by the parties.
- 19.3 Failure on the part of the Purchaser at any time to enforce or to require the strict adherence to any performance of any of the terms and conditions of the Purchase Order shall not constitute a waiver of such terms or conditions or impair in any way the right of Purchaser at any time to avail itself of such right.
- 19.4 The interpretation and enforcement of the terms and conditions of the Purchase Order shall be made in accordance with the laws of the State of Qatar.

20. **DELIVERY:**

- 20.1 The Goods shall be delivered to the point of delivery as specified in the Purchase Order within the delivery time(s) or by the delivery date(s) specified therein. The corresponding type of delivery shall be as designed in the Purchase Order.
- 20.2 Without prejudice to Seller's obligation to deliver the Goods in time, Seller shall give Purchaser immediate notice in writing if any delay is foreseen, stating the reason and extent of such delay.
- 20.3 Should the revised actual delivery date(s) exceed the scheduled delivery date(s) specified in the Purchase Order due to no fault of QP, then QP retains its right to apply liquidated damages in accordance with Clause 24 of Schedule "C".
- 20.4 Partial delivery shall not be accepted by Purchaser and invoices will not be paid unless otherwise clearly specified in the Purchase Order, or by prior agreement in writing by an authorized representative of Purchaser.

21. **INSPECTION AND TESTING:**

Purchaser shall have the right, but not the obligation, at all times to inspect, test and examine the Goods and to witness any test performed on the Goods by Seller or any third party. Purchaser's failure to inspect or waive inspection shall not relieve Seller from any of its obligations liability under the Purchaser Order.

22. **PACKING AND MARKING:**

Seller shall be responsible for safe and adequate packing of the Goods which shall conform to the requirements of the carrier's tariffs. Seller shall separately number all cases and packages, showing the corresponding numbers on the invoices. An itemized packing slip bearing the Purchase Order number shall be placed in each case. No extra charge shall be made for packaging or packing materials unless set forth in the Purchase Order.

23. **SUB-ORDERS:**

If any part of the Purchase Order will be performed or provided by a sub-supplier, then any such sub-orders shall provide the right of unconditional assignment to Purchaser.

24. **LIQUIDATED DAMAGES:**

- 24.1 In the event Seller fails to deliver the Goods in accordance with the Purchase Order by the delivery date(s) specified therein, Seller shall be liable to Purchaser for liquidated damages in accordance with the provisions of this clause and the amount of such liquidated damages shall be calculated in accordance with the liquidated damages rate set forth in Clause 24.3 below.
- 24.2 All amounts of liquidated damages for which Seller may become liable under this clause are agreed between the parties as a genuine pre-estimate of the losses which may be sustained by Purchaser in the event that Seller fails in its obligations under the Purchase Order and are not a penalty and as such shall be construed as liquidated damages.
- 24.3 Should Seller fail to deliver the Goods by the delivery date(s), liquidated damages will be computed at the rate of two percent (2%) of the PRICE for each week or part of a week delay up to an amount not to exceed ten percent (10%) of the total Purchase Order Price.

25. **SERVICES:**

Should there be any Services performed on Purchaser's premises arising out of the Purchase Order, then Seller and Purchaser agree that the terms and conditions of this Article 25 as detailed in Document Number _____ "Scope of Services" attached hereto and incorporated herein as Appendix D, shall apply and constitute an integral part of this Purchase Order.

26. **INSURANCE:**

The Seller shall maintain and cause his subcontractors to maintain adequate insurance coverage that would cover its legal and contractual obligations in accordance with Standard Industry Practices.

27. **FORCE MAJEURE:**

- 27.1 A delay in or total or partial failure of performance of either Purchaser or Seller hereto shall not constitute default, suspension of termination hereunder or serve to give rise to any claim for damages if and to the extent such delay or failure is caused by any force majeure occurrence which demonstrably could not have been reasonably foreseen before the effective date and which is demonstrably beyond the reasonable control of the Purchaser or Seller affected, and could not have been avoided by use of due care, provided that (i) such occurrence materially and directly impairs the ability of the affected Purchaser or Seller to perform (ii) the affected Purchaser or Seller gives seven (7) calendar days written notice to the other Purchaser or Seller of the circumstances constituting the occurrence and of the obligation or performance which is thereby delayed or prevented, and (iii) such occurrences fall within one or more of the following categories:

27.1.1 acts of God;

27.1.2 embargo, expropriation, confiscation, requisitioning or commandeering by or compliance with any oral or written order, directive or request of any governmental authority or person purporting to act therefore or under such authority;

27.1.3 war (whether declared or not), act of foreign enemy, hostilities, acts of terrorism, rebellion, or public disorder;

- 27.1.4 strikes, whether lawful or unlawful (provided it does not originate or mainly involve Seller or Seller's subcontractor's or supplier workforce);
- 27.1.5 explosions, fires, floods, earthquakes, or other natural calamities;
- 27.1.6 maritime disaster
- 27.2 If within a reasonable time after a force majeure occurrence which caused Seller to suspend or delay performance, Seller has failed to take such action as Seller could lawfully initiate to remove or relieve either the force majeure occurrence or its direct or indirect effects. Purchaser may, in its sole discretion and after written notice to Seller, initiate such measures, including but not limited to, the hiring of third parties, as are designed to remove or relieve such force majeure occurrence or its direct or indirect effects; and Purchaser may thereafter require Seller to resume full or partial performance of the Purchase Order. Alternatively, Purchaser, in its sole discretion, may decide to terminate this Purchase Order in accordance with the terms of Article 15.
- 27.3 If the cumulative duration of any occurrence referenced in Article 15.1 exceeds 60 days, either Purchaser or Seller may terminate the Purchase Order upon seven (7) calendar days prior written notice to the other Purchaser or Seller.
- 27.4 Any force majeure delay as defined herein shall be considered an excusable delay, and neither Purchaser nor Seller shall be entitled to compensation, beyond the provisions of this Purchase Order, as a result thereof.

28. **BUSINESS ETHICS:**

- 28.1 Seller shall be aware of QP's Code of Ethics and Conflict of Interest Regulations
- 28.2 The term "Conflict of Interest" as used herein means any potential or actual circumstance where,
 - 28.2.1 Seller engages in duplication or overlap of Goods or Services rendered and/or
 - 28.2.2 Seller and/or Seller Personnel:
 - (a) improperly participate or influence any Purchaser decision, and/or
 - (b) actively or passively attempt to improperly influence any Purchaser decision, and/or
 - (c) improperly gain, while executing the Purchase Order, access to Purchaser's Confidential Information which is either unrelated to the Purchase Order or which does not constitute Confidential Information under the Purchase Order, and/or
 - (d) improperly further Seller's or Seller Personnel's interests or the interests of Seller's parent company, affiliates, sister companies, joint venturers or any other company or entity which Seller or Seller Personnel have any interest therein, and/or
 - (e) give or receive from any QP employee anything of more than nominal value.
- 28.3 Seller represents and warrants that its entering into the Purchase Order or its performance thereunder does not create nor will it create any Conflict of Interest as to any relationship, contractual, fiduciary or otherwise, which Seller may have with Purchaser or any third party.
- 28.4 Seller represents and warrants that neither it nor Seller Personnel has entered into any Conflict of Interest.
- 28.5 Seller further represents, warrants and shall ensure that neither it nor Seller Personnel shall enter into any Conflict of Interest throughout the duration of the Purchase Order.
- 28.6 If any Conflict of Interest arises any time, Seller shall so notify Purchaser immediately.
- 28.7 Seller agrees that Seller Personnel supplied to Purchaser under the Purchase Order shall be subject to Purchaser's Regulations related to the Code of Ethics and Conflict of Interest.
- 28.8 Seller warrants that neither it nor any Seller Personnel and /or their families (i) has paid or shall pay any commission, fee, rebate or anything of more than nominal value to or for the benefit of any employee or officer of Purchaser, (ii) has favored or shall favor employees or officers of Purchaser with gifts or entertainment of significant value, or (iii) shall enter into any business arrangement with any employee or officer of Purchaser in their individual or any other capacity except as formally delegated to them by Purchaser.
- 28.9 If it is discovered that the provisions of this condition or Purchaser's Code of Ethics and conflict of Interest Regulations have been contravened, the Seller shall inform Purchaser immediately.
- 28.10 Upon occurrence of any Conflict of Interest or any other default of Seller under the provisions of this Article 28, Purchaser, at its sole discretion, shall determine and take appropriate action necessary in accordance with the rights and remedies available under the Purchase Order or at law.