

TASNEE GENERAL CONDITIONS OF PURCHASE - KSA

1. Definitions

The 'Buyer' means National Industrialization Company (Tasnee) or such subsidiary or associated company of Tasnee as is specifically named on the face of this Purchase Order form.

The 'Seller' means the person, firm or company to whom the Order is addressed and includes the Seller successor's Seller's successors heirs, executors or administrators.

The 'Order' means the order placed by the Buyer on this Purchase Order form for the supply of the Goods and for any services which are to be supplied by the Seller in connection therewith and includes all specifications and documents and drawings therein referred to.

'Conditions' means these General Conditions of Purchase together with any special conditions or requirements referred to in Condition 2 (a) and any warranties or conditions implied into the Contract by statute.

The 'Contract' means the contract for the supply of the Goods formed by the Seller's acceptance of the Order.

'Excusing Condition' means, food waste discharged under international regulation, life threatening situation and safety reasons.

The 'Goods' means the goods referred to on the face of this Purchase Order form including all packaging, instructions and data and safety sheets and other information supplied by the Seller in conjunction with the Goods and including any advisory, installation or other services provided by the Seller or its sub-Seller in connection with the supply of the Goods.

'Marine Litter and Pollutants' means is any persistent, manufactured or processed solid or liquid material discarded, disposed or abandoned in the marine and coastal environment including, without limitation synthetic materials such as plastics, glass, metals, rubber, hydrocarbons liquids and environmentally hazardous substances. The 'Services' means the services or works referred to on the face of this Order form including all Statement of Works (SOW) and any data and safety sheets and other information supplied by the Seller in conjunction with the Services and including any advisory, installation or other services provided by the Seller or its sub-Seller in connection with the supply of the Services.

2.a. Save as otherwise expressly stated in the Order these General Conditions of Purchase together with any special conditions or requirements of the Buyer stated on the face of the Order or any documents therein referred to are part of the Order and any prior quotation or offer of the Seller is hereby rejected to the extent inconsistent with the Conditions.

b. Neither the Buyer nor the Seller shall be bound by any other express terms in relation to the Contract except as are otherwise agreed by both parties in writing and signed on their behalf. Without prejudice to the generality hereof, no standard conditions of sale printed on any document issued by the Seller shall be incorporated into the Contract.

c. The Seller is required to acknowledge the Order within 72 hours of receipt. If Seller shall despatch the Goods or perform work specified in the Order without acknowledgement of this Order, this shall be deemed to constitute acceptance of the Conditions.

d. Nothing in the Conditions shall prejudice or limit any warranty or condition implied by statute. Unless otherwise specified all supplies to the Buyer shall be warranted for performance and workmanship for a period of 12 months from the goods being put into use/commissioning or 18 months from the date of delivery whichever is the earlier

3.a. The Goods shall be of sound materials and workmanship and confirm as to quantity, quality and description with the particulars stated in the Order, and be equal in all respects to samples, patterns, specifications or other descriptions, provided or given by the Buyer or given by the Seller and agreed in writing by the Buyer.

b. The Goods shall comply with any standard of performance specified either expressly or by implication in the Order.

c. The Goods shall be free from any defects of design and shall be as durable as it is reasonable to expect having regard to the purposes for which goods such as the Goods are commonly used, and shall not be subject to any abnormal maintenance requirements. Services should be of a standard that can be reasonably expected from a professional and prudent supplier.

d. The Goods shall be delivered to the Buyer adequately secured to any containers or pallets in with which the Goods are delivered and with adequate and prominent labelling and handling instructions, such that no loss or damage shall occur in the course of unloading and handling the Goods in accordance with the Seller's written instructions. The Seller shall correct any deficiencies found in the Goods or Services at the time of inspection by the Buyer's Representative within one (1) day of notification by Buyer. If corrective work is not started within this period, or is not completed within two days of notification, the Buyer shall have the right to request others to perform the corrective work at the Seller's expense.

e. In addition to the requirements set out in clause 3d Sellers from outside KSA should:

i) ensure that Goods shall be packed in export packing designed and constructed to withstand atmospheric conditions, hazards of inland trucking and handling. Packaging must be suitable for air or ocean transport. Except, as otherwise provided in the Order, the prices are inclusive of all packing charges.

ii) Overseas supplied materials shall be marked with non-removable/ fixed labels indicating the country of origin as per KSA Customs Regulations. Failure to comply with this requirement, the supplier shall bear all the costs including penalties imposed to the consignee as result of non-compliance to the regulation. In case of confiscation related to non-compliance of the regulation, Vendor shall re-supply the confiscated quantities at no extra cost to Buyer.

f. The Goods shall be delivered to the location specified on the Order, Goods delivered to locations other than the Buyer's own warehouses should be accepted by the Buyer's authorized representative. For deliveries to the Buyer's designated forwarding agent, the Seller shall be required to obtain Forwarder Certificate of Receipt (FCR) and attach it to the invoice for the Goods

g. The Services should be of a standard that can be reasonably expected from a professional and prudent contractor.

h. The Buyer may at any time make changes to the SOW by issuing a formal Order Change document, an adjustment to program and price for any such changes will be agreed by the parties.

j. The Seller shall furnish all labors, personal protective equipment and other safety equipment, materials, tools equipment and transportation required to complete the Services as specified in the scope of work (SOW).

4. The Seller shall deliver the Goods or Services upon the date or within the time specified in the Order or agreed program of work, time being of the essence. If the Goods or any portion thereof are not delivered on the specified date or within the time specified in the Order, the Buyer shall be entitled at any time thereafter to determine the Contract in respect of the undelivered Goods and in respect of the other Goods already delivered under the Contract which cannot be effectively and commercially used by reason of the non-

delivery of the undelivered Goods. On such determination the Buyer shall be entitled:-

a. To return to the Seller at the Seller's risk and expense any Goods already delivered which cannot be effectively and commercially used as aforesaid and to recover from the Seller any monies paid by the Buyer in respect of such Goods.

b. To recover from the Seller any loss or damage or additional expenditure suffered by the Buyer by reason of Seller's failure to deliver the Goods in accordance with the Contract.

c. The Buyer in the event that the Seller does not meet its obligations at the required date specified in the service agreement, request any third party to complete the Goods or Services at the Seller's expense

d. Services shall be performed as per the date specified on the Order, In the event of delay attributed to the Seller, beyond the scheduled date, an amount equivalent to ½% per week subject to maximum of 5% of the value of the undelivered portion will be deducted from the Seller's pending invoices by way of liquidated damages.

5.a. On the day of despatch the Seller shall send to the Buyer an appropriate advice note quoting the Buyer's order number. The packaging, or if none, then the Goods themselves must also be marked with the Buyer's order number and accompanied by a delivery note bearing the Buyer's order number, The Seller shall promptly despatch invoices in accordance with the Contract, and any special instructions detailed on the Order, shall thereafter render a monthly statement of account quoting the invoice number and the Buyer's order number applicable to each item therein. Non-compliance by the Seller shall not prejudice the Buyer's right to any agreed prompt payment discount. For overseas Sellers, the Goods delivered to the Buyer's freight forwarder shall be accompanied by original and chamber attested commercial invoice, packing list and certificate of origin. The Buyer being the ultimate consignee, all the documents should be made out in the name of the Buyer as specified on the face of the Order. No other name(s) should appear on any of the documents. The material number and material descriptions should appear in the invoice and delivery document exactly as stated on the Order. Orders routed to Buyer's designated freight forwarder, the Seller shall confirm to the freight forwarder or their agent the order status and readiness of material for collection or delivery in accordance with the instructions on the Order.

b. Proof of delivery will only be accepted when the delivery note is stamped and signed by the Buyer's official stores clerk or other duly authorized representative of the Buyer. Such signature shall not be evidence of acceptance of the Goods nor that the Goods are in conformity with the Contract.

c. Unless otherwise stipulated on the face of the Order, the price therein set forth shall be the price payable for delivery of the Goods to Buyer's premises. The Buyer reserves the right, however, to make arrangements for the collection of Goods in which case the Seller must make an allowance equal to the carriage charges had the Goods been forwarded by road.

d. Unless otherwise stipulated on the face of the Order, the price therein set forth shall be the price payable for delivery of the Services, subject to withholding tax required under income tax law of Saudi Arabia, as applicable. Payment will be made only upon completion and acceptance of valid ZAKAT and social insurance certificates, and clearance report from the Buyer's Industrial Security Department.

6. Manufacture of the Goods shall be open to inspection at all stages by the Buyer's authorised representatives, provided that any inspection by the Buyer's representatives shall not be deemed to constitute acceptance by the Buyer that the Goods have been manufactured in accordance with the Contract.
 7. In addition to the provision set out in clause 3d The Buyer may give notice in writing to the Seller rejecting the Goods or any part thereof if found not to be in accordance with the Order and shall, when giving notice of rejection, specify the reasons therefore. In such case the Buyer shall be entitled at its discretion (but without the prejudice to Buyer's rights or remedies arising due to Seller's breach of the Contract), either to require the Seller to replace the rejected Goods with Goods which are in all respects in accordance with the Contract within such time as may be stipulated by the Buyer or to require the Seller to credit the Buyer the invoice price and carriage charges in respect of the rejected Goods or (in the case of rejection of the whole of the Goods) to terminate the Contract. In such case the Buyer shall be entitled at its discretion (but without the prejudice to Buyer's rights or remedies arising due to Seller's breach of the Contract), either to require the Seller to agree at the Seller's own expense to correct the Goods or Services, or the Buyer may elect to reject the Goods or Services in their entirety and require the Seller to credit the Buyer with any monies paid for works carried out that have not provided value to the buyer due to the Works or Service fallings short of the specified requirements.
 8. The Seller shall at all times remain liable for any damage to property or injury to persons caused by the acts or omissions of any of the Seller's employees or sub-Sellers. The property and risk in the Goods shall remain in the Seller until the point of delivery specified in the Order or the point of entry to the Buyer's premises where no point of delivery is so specified and the Seller will repair or replace free of charge Goods damaged or lost in transit.
 - 8.a. For Orders and Contracts where the Seller is responsible for sea shipment, the Seller or the carrier, acting on behalf of the Seller, shall use its best efforts to refrain, avoid, mitigate and/or reduce its disposal of any Marine Litter and Pollutants (whether directly or indirectly) unless the Seller or carrier is forced to dispose of such Marine Litter or Pollutants upon the occurrence of an Excusing Condition. The carrier hereby undertakes to notify the Buyer promptly upon the occurrence of any event where the carrier has disposed of any Marine Litter or Pollutants, in breach of the international and local regulations or beyond permissible limits, along with proper justification for said disposal, during its performance of this Agreement.
 - 9.a. Unless otherwise stated, and provided that the Seller has duly issued an invoice in accordance with the instructions on the Order and fulfilled all other obligation under the Contract, payment will be made 90 days end of month following that of delivery. Subject to deduction of any amounts payable under the Contract (or any other Contract between the Buyer and the Seller) including but not limited to any amount specified in any debit note issued by Buyer relating to this Contract or any other Contract between the Buyer and the Seller.
 - b. For Services, the Seller shall promptly despatch invoices in accordance with the Contract, and shall thereafter render a monthly statement of account quoting the invoice number and the Buyer's order number applicable to each item therein. Non-compliance by the Seller shall not prejudice the Buyer's right to any agreed prompt payment discount.
 - c. Invoices should be sent in PDF format by e-mail to the e-mail addressed advised by the Buyer or as stated on the Order.
 10. The Seller guarantees that the Goods will conform with all applicable safety legislation and that the Goods and shall be supplied with all information with respect to the Goods required by safety legislation.
 - 11.a. Expect when the Buyer requires the Goods to be made to its own specifications the Seller also warrants that the Goods do not infringe any patent anywhere in the world, or any trade mark, trade name, registered design or copyright or other intellectual property right and agrees to indemnify the Buyer against any and all claims, proceedings, losses, damages, costs and fees suffered by the Buyer in respect of any claim for infringement of these rights. Should the Buyer receive notice of any claim that the Goods infringe any of the aforesaid rights, the Buyer shall have the right to terminate the Contract without making any payment whatsoever to the Seller.
 12. If:-
 - a. the Seller being an individual (or, if a partnership, any partner) shall have a receiving order made against him or shall make any composition or any arrangement with his creditors, or any application shall be made under any Bankruptcy Act for the time being in force for sequestration of his estate, or if the Seller, being an incorporated company, shall pass a resolution, or the court shall make an order that the Seller shall be wound up or if a receiver, manager, administrator shall be appointed, in respect of any part of the undertaking or assets of Seller, or if circumstances shall arise which entitle the court or a creditor to appoint a receiver, manager, administrative receiver or administrator, in respect of any part of the undertaking or assets of Seller or which entitle the court to make a winding-up order; or
 - b. the Seller (whether an individual or incorporated company) shall breach any of the provisions of the Contract; or
 - c. the Seller intimated to the Buyer or the Buyer becomes aware of circumstances such that the Buyer reasonably anticipates that the Seller will be unable to supply the Goods by the due date in accordance with the Contract then the Buyer shall be at liberty without prejudice to its other rights and remedies to terminate the Contract forthwith and without compensation by notice in writing to the Seller and the Seller shall forthwith upon service of such notice cease work and cause its suppliers or sub-contractors to cease work in connection with the Contract.
 - 13.a. The Seller shall indemnify the Buyer against losses, claims, damages, penalty costs or expenses arising from any of the following:-
 - i. Loss or damage suffered by the Buyer or for which the buyer may be liable to third parties, due to the failure of the Goods (or any services to be supplied by the Seller in connection therewith) or the manner of their delivery or supply, to comply with the provisions of the Contract;-
 - ii. claims in respect of death or personal injury, howsoever caused, to any of the employees of the Buyer, or those of the agents or the contractors of the Buyer or any persons, while in or about the Buyer's sites or works or other places of business due to any defect of safety of the Goods or the manner of packaging and delivery of the Goods or the giving of instructions with respect to the Goods, including (without limitation) any matter giving rise to any breach of safety legislation, except to the extent that the death or personal injury may be caused by the negligence of the Buyer or its servants or agents;
 - iii. loss or damage suffered by the Buyer, arising out of or in consequence of the failure of the Seller to supply the Goods and perform any associated services in accordance with the Contract.
 - b. The Seller's liability to indemnify the Buyer pursuant to (a) above shall not be affected by any exercise by the Buyer of its right to terminate the Contract.
 - c. The Buyer shall not be responsible for any act neglect or default of the Seller or the servants or agents of the Seller unless at the time of the said act, neglect or default such servants or agents are under the direct or indirect control of the Buyer.
 - d. The Seller shall maintain and require its carriers or other agents to maintain adequate policies of insurance covering employer's liability, third party and product liability, motor insurance and business interpretation in a form satisfactory to the Buyer with a limited indemnity of at least \$5million (to cover the liabilities imposed by the Contract. The Seller shall from time to time on request produce to the Buyer copies of all such insurance policies, together with the receipts of the latest premium.
14. Any dispute arising out of or in connection with this Contract shall be governed by KSA Law and shall be subject to the exclusive jurisdiction of the KSA legal system.
 15. The Contract is between the Buyer and the Seller as principals and shall not be assigned or sub-let by the Seller without the written consent of the Buyer.
 16. In the event of any strike or any other labour dispute, lock-out, fire, explosion or accident or any stoppage of the Buyer's business or work or other cause beyond reasonable control of the Buyer which may prevent or hinder the Buyer's use of the Goods, then delivery of the Goods and the completion of work on the Goods and components thereof shall be suspended or postponed at the request of the Buyer until the circumstances preventing or hindering the use of the Goods or work shall have ceased but if such suspension or postponement continues for more than six months the Buyer may give notice to terminate the whole or any part of the Contract thereby affected, without incurring any liability to the Seller.
 - 17.a. All tools, patterns, materials, drawings, specifications and other equipment and data loaned by the Buyer to the Seller in connection with the Contract will at all times remain the Buyer's property and be surrendered to the Buyer on demand in good and serviceable condition (fair wear and tear excepted) and are to be used by the Seller solely for the purpose of completing the Contract. Such items shall be at risk of the Seller and insured by the Seller against risk of loss or damage at the Seller's own expense.
 - b. All special tooling acquired or manufactured by the Seller or any sub-contractor for the performance of the Contract shall, unless otherwise agreed in writing, belong to the Buyer. The Seller shall keep tools in good order and condition. After completion of the Seller's contractual commitments for which use of the tools is necessary, the Seller shall deliver the tools on request free of charge to the Buyer together with all the drawings, plans and manuals necessary for the operation and use thereof.
 18. All scrap arising from the materials supplied or paid for by the Buyer must be disposed of by the Seller in accordance with the instructions of the Buyer, and all proceeds of sale of such scrap must be credited by the Seller to the account of the Buyer.
 19. The Seller undertakes that neither it nor any of its servants, agents or sub-contractors shall disclose to any third party any information in relation to the Contract or the Goods, or any information which may come into the

- possession of the Seller relating to the businesses of the Buyer or its customers.
20. The Seller agrees that the Contract may be terminated by the Buyer at any time in whole or in part delivery to the Seller of a notice of termination. Except where termination takes place under the provisions of Clause 12, the Buyer shall in the event of termination become liable to pay to the Seller that portion of the Contract price corresponding to the Goods which shall have been delivered in conformity with the Contract prior to the date of termination, together with an amount equal to so much of the costs necessarily incurred by the Seller prior to such date in the acquisition and/or manufacture of the remainder of the Goods as would otherwise represent unavoidable loss to the Seller. In no event however shall the total amount payable under this Condition when aggregated with sums previously paid by Buyer exceed the total price payable under the Contract for the Goods. The Buyer shall not be liable to the Seller in respect of such termination except as herein provided.
21. Where any services are provided by the Seller to the Buyer in connection with the supply of Goods, the Seller undertakes that such services will be carried out with care and skill, and in particular (but without limiting the generality of the foregoing):-
- a. The Seller guarantees that all installation services will be carried out to the highest standards of workmanship, and within the installation period (if any) specified in the Contract, and so as to comply in all respects with all applicable Safety Legislation and the Buyer's safety rules for Contractors. Such installation services will be carried out without giving rise to disruption of Buyer's operations or the incurring of any expense by Buyer (other than as specified in the Contract).
 - b. The Seller guarantees that all commissioning tests specified by the Contract, or specified or recommended by the manufacturer or which otherwise are reasonably required to ensure the correct functioning of the Goods shall be diligently carried out and full and accurate reports of the results of such commissioning tests shall be provided to the Buyer.
 - c. The provision of any advice or information by the Seller in connection with the Goods and the installation and use thereof (either before or after the date of the Order), shall form a part of the Seller's performance of the Contract.
22. Buyer's failure to insist on performance of any of the terms and conditions herein or to exercise any right or privilege or the waiver by the Buyer of any breach hereunder shall not operate as a continuing waiver of the Seller's performance of the Contract.
23. Notices hereunder shall be given to the parties at the addresses respectively appearing on the face of the Order by fax or email confirmation. Notices by fax shall be deemed to have been given at the time of transmission.
24. The exercise of any rights by the Buyer to terminate the Contract in consequence of any default in performance by the Seller shall not extinguish any liability of Seller:-
- a. for non-delivery of Goods or failure to provide the Goods in conformity with the Contract;
 - b. as to Goods delivered by Seller prior to termination and accepted by the Buyer
 - c. as to obligations of the Seller in respect of proprietary information, intellectual property and confidentiality;
 - d. as respects any other rights and/or obligations under the Contract which are expressed to apply after termination or which are by necessary implication to apply after termination.
- 25 a The Buyer conducts its operations with honesty, integrity, pride transparency, with respect of human rights and responsibility toward the environment. The Seller agrees that it shall do the same by: (1) conducting business ethically and in compliance with all applicable laws and regulations, including all applicable environmental regulations; (2) making no political contributions, bribes, or gifts of any kind on behalf of Buyer; (3) not taking part in, endorsing or tolerating work-place discrimination or harassment in any way; and (4) not restricting competition in the marketplace. Should the Seller become aware of any violation of the above by the Seller or the Buyer personnel or representatives, the Seller shall notify the Buyer of such breach immediately upon discovery. The Seller shall indemnify and hold harmless the Buyer of any violation of the above by its employees or representatives.
- b The Seller agrees to maintain the highest ethical standards throughout its organization and shall support and encourage its employees to perform their job duties in a manner such that acts of bribery do not occur and are not condoned. In doing so, the Seller agrees not to give or receive bribes and not to facilitate improper payments of any kind. The Seller's accounting records shall accurately reflect the true and complete nature of each and every transaction, and the Seller shall not establish or maintain any unrecorded account, fund or asset. Should the Seller become aware of any violation of the above by the Seller personnel or representatives, the Seller shall notify the Buyer of such breach immediately upon discovery. The Seller shall indemnify and hold harmless the Buyer of any violation of the above by its employees or representatives.