

PURCHASE ORDER TERMS AND CONDITIONS

Part I: Purchase Order Terms and Conditions

The following conditions and instructions form an integral part of PURCHASE ORDER(s) issued by Q CON and by accepting the PURCHASE ORDER, the SUPPLIER irrevocably and unconditionally agrees to supply GOODS in full compliance with requirements of the PURCHASE ORDER including annexure(s) thereto and this document, and any supply with deviations from the specified quality, quantities, delivery times, price and / or any other conditions of this PURCHASE ORDER may invalidate the PURCHASE ORDER, unless such deviations have been expressly accepted as variations by Q CON and included in the amended PURCHASE ORDER.

Waiver, deletion of any of the clauses given hereunder must be specifically confirmed by Q CON in writing to be applicable.

1. DEFINITIONS AND INTERPRETATIONS

(a) The following words and expressions shall have the meanings hereby assigned to them when used in capital letters herein:

"BANK GUARANTEE" means an undertaking by a bank to Q CON that it will make good the debt of the SUPPLIER in consideration of Q CON foregoing payments of a deposit or security, or supplying GOODS without prepayment to the SUPPLIER or making an advance payment to the SUPPLIER;

"CLIENT" means Q CON's Client named in the PURCHASE ORDER;

"CONTRACT" means the Contract for supply of Goods resulting from the acceptance by the SUPPLIER of an Order issued by Q CON for the supply of Goods;

"DELIVERY TERMS" means where a term used in the CONTRACT is a term included in Incoterms 2000 then the rules and definitions applicable to that term in Incoterms 2000 shall be deemed to be incorporated in this PURCHASE ORDER, except where they may conflict with any other provisions of the PURCHASE ORDER, the conditions in PURCHASE ORDER shall prevail.

"DELIVERY TIME" means the time stipulated for delivery of GOODS in the PURCHASE ORDER shall be of the essence;

"FREE ISSUE ITEMS" means items issued by Q CON free of charge to SUPPLIER for the purpose defined in the PURCHASE ORDER;

"GOODS" means the articles, things and services, or any of them, described in the PURCHASE ORDER, or the GOODS supplied by the SUPPLIER;

"ORDER" means an order placed by Q CON with the Supplier for the supply of GOODS;

"PURCHASE ORDER" means this PURCHASE ORDER and amendments thereto and the specifications, drawings and other documents referred to therein;

"PURCHASE ORDER PRICE" means the price stated in the PURCHASE ORDER which is fixed and not subject to adjustment and which is the full amount Q CON will pay SUPPLIER as full and complete consideration for their having fulfilled obligations under the PURCHASE ORDER;

"SITE" means the site defined in the PURCHASE ORDER;

"Q CON " means Qatar Engineering & Construction Company WLL,, P O Box 3325, Doha, Qatar (the buyer);

"SUPPLIER" shall mean the person, firm or company with whom Q CON has placed the PURCHASE ORDER.

(b) The clause headings and sub-clause headings shall not form part of the PURCHASE ORDER and shall not be used in the interpretation of the PURCHASE ORDER.

2. PURCHASE ORDER

(a) The PURCHASE ORDER, together with all attached documents or documents incorporated by reference (referred to as "the Purchase Order Documents"), constitutes the entire terms of the CONTRACT or purchase of the GOODS / rendering of services and shall not be modified except in writing. The PURCHASE ORDER supersedes all prior agreements, arrangements or understandings whether in writing or otherwise between the parties. Trade custom and/or trade usage is superseded by the PURCHASE ORDER and shall not be used in the interpretation of the PURCHASE ORDER.

(b) The order of precedence of the Purchase Order Documents shall be: Purchase Order, Purchase Order Conditions and Instructions, Drawing Specifications, other Instruction (in writing) to Suppliers (if any).

3. TITLE

The SUPPLIER warrants that it has full, clear and unrestricted title to all GOODS delivered to Q CON under the PURCHASE ORDER, free and clear of any and all liens, restrictions, reservations, security interests and encumbrances.

4. DELIVERY

The SUPPLIER shall deliver and Q CON shall take delivery of the GOODS at the SITE or such other place as may be defined by PURCHASE ORDER, no later than the DELIVERY TIME.

The SUPPLIER shall give Q CON reasonable notice but no less than 72 hours of the time at which the SUPPLIER intends to deliver the GOODS.

Delivery shall be deemed to be complete when all deliverables defined in the PURCHASE ORDER – including documentation have been delivered to Q CON.

5. PASSING OF PROPERTY AND RISK

Without prejudice to any right of rejection which may accrue to Q CON, the property and risk in GOODS shall remain in SUPPLIER until they are delivered in accordance with the PURCHASE ORDER, provided that where advance payments are made by Q CON to SUPPLIER in respect of GOODS then title therein shall pass to Q CON upon such payment but risk therein shall remain in SUPPLIER until GOODS are delivered in accordance with PURCHASE ORDER.

6. INSPECTION AND EXPEDITING

(a) The SUPPLIER shall proceed with the work under the PURCHASE ORDER with due expedition and without delay.

(b) The SUPPLIER shall not suspend the progress of the whole or any part of the work under the PURCHASE ORDER except where the suspension is directed or approved by Q CON.

(c) Q CON may direct in what order and at what time the various stages or parts of the work under the PURCHASE ORDER shall be performed.

(d) The SUPPLIER shall take all reasonable steps to prevent and minimise delay.

(e) When it becomes evident to the SUPPLIER that anything, including an act or omission of Q CON, or any of their employees, consultants or other contractors or agents, may delay the work under the PURCHASE ORDER, the SUPPLIER shall promptly notify Q CON in writing with details of possible delay and the cause.

(f) Q CON or its nominated representative shall be entitled access at all reasonable times during manufacture to expedite or inspect, examine and witness tests on GOODS, workmanship and performance at SUPPLIERS and/or SUPPLIERS sub-contractor's premises and SUPPLIER shall make this a condition of any sub-contract work. Q CON may request un-priced copies of SUPPLIER and/or SUPPLIER'S sub-contractor's purchase orders placed for GOODS for the PURCHASE ORDER and SUPPLIER shall make this a condition of any sub-contract work.

(g) Q CON and/or CLIENT reserve the right to carry out their own inspection on receipt of the GOODS at the job site.

7. REJECTION OF GOODS

Q CON may, by written notice to the SUPPLIER, reject any GOODS not conforming to the PURCHASE ORDER and return them at the SUPPLIERS cost and risk including transport and handling costs. Payment of invoices shall not constitute final acceptance.

8. PACKING AND SHIPPING

GOODS shall be properly packed in preparation for shipment to prevent damage and deterioration during transit. Each single package must be clearly identified and contain packing notes. Failure to provide relevant PURCHASE ORDER markings may result in delays to payment.

9. INSURANCE

SUPPLIER shall insure GOODS and FREE ISSUE ITEMS for not less than their full replacement value and to the satisfaction of Q CON against loss or damage for the period that GOODS and Free Issue Items are at SUPPLIER'S risk.

10. PAYMENT

(a) Unless otherwise stated, and except as provided in Clause 11 (b), 11 (c) and 11 (e) payment by Q CON to the SUPPLIER shall be the nett invoice amount 45 days from the end of the month following the month of receipt of invoice and acceptance of GOODS.

(b) Q CON may hold five per cent of the PURCHASE ORDER PRICE as retention for the Warranty Period referred to in Clause 16 or may require SUPPLIER to provide, at SUPPLIERS expense, a Bank Guarantee for release of this 5%.

(c) Q CON may also retain 10 per cent of the PURCHASE ORDER PRICE against the receipt by Q CON of all final vendor data, including certificates as required by the Contract.

(d) The Bank Guarantee referred to in Sub Clause 11 (b) must be forwarded at time of final delivery of GOODS. The Bank Guarantee must be an irrevocable, unconditional, enforceable banker's undertaking payable on demand at the counters of a BANK in QATAR equivalent to five per cent of the PURCHASE ORDER PRICE and will be retained by Q CON until the end of the warranty period.

(e) Without limiting Q CON's right to any other method of recovery for all debts and monies due from the SUPPLIER to Q CON pursuant to the provisions of this Purchase Order or any other purchase order or contract for all costs, including charges, damages and expenses incurred by Q CON for which the SUPPLIER is deemed liable.

11. DESIGN/INTELLECTUAL PROPERTY

The Supplier agrees and acknowledges that Q CON is and remains the owner of all copyright, designs, patents and trademarks and other intellectual property rights used on or in relation to any drawing specifications or other materials, whether relating to the design or otherwise of the GOODS, provided to the SUPPLIER by Q CON.

12. SECRECY

The SUPPLIER shall keep secret and confidential and shall not disclose to any third party without the prior written consent of Q CON any information, data, specifications, drawings, reports, accounts or other documents supplied or made available by Q CON to SUPPLIER or brought into existence by SUPPLIER. The obligations contained in Clause 13 shall survive the term or termination of the PURCHASE ORDER, and shall be enforceable at law or in equity at any time.

13. QUALITY

The SUPPLIER warrants that all GOODS shall be new and of merchantable quality, fit and safe for consumer use and for the known purpose intended and shall conform to the requirements of the PURCHASE ORDER and any performance capacity or capability represented.

Unless specified to the contrary, all GOODS shall comply with the latest revision of the Standards or Codes applicable to the Class of articles or British Standards Institution, or both of them as specified, or any other standards referred to in the PURCHASE ORDER.

14. LAWS AND REGULATIONS

The SUPPLIER shall comply fully with the applicable QATARI laws and regulations.

15. GUARANTEE/WARRANTY

Unless otherwise stated, the Warranty Period shall expire twelve (12) months after the date of first placing the GOODS into service or twenty four (24) months after the date of delivery whichever is the sooner. During the Warranty Period, SUPPLIER shall, at its own expense, repair or replace any GOODS defective as to design, materials or workmanship. If SUPPLIER cannot respond or rectify the defect in a time acceptable to Q CON, Q CON may

carry out the replacement or repair and which cost shall become a debt due and owing by SUPPLIER to Q CON.

16. TERMINATION

Q CON may suspend or terminate all or any part of the PURCHASE ORDER by written notice to the SUPPLIER in the event the SUPPLIER can not demonstrate the progress in performance of it's obligations as per schedule agreed to and defined in PURCHASE ORDER.

b) Q CON 's liability to the Supplier shall not exceed the audited amounts properly payable for the work completed at the date of notice of termination. In any event Q CON 's liability to the Supplier shall not exceed the order value;

c) Such termination shall be without prejudice to the rights and the remedies of Q CON for any breach of the terms of this Contract.

18. VARIATIONS

Q CON reserves the right at any time to make changes to any of the Purchase Order Documents. If such changes increase or decrease in SUPPLIERS price(s) or an alteration in the DELIVERY TIME(s), an equitable variation shall be mutually agreed, or in the absence of agreement, as may be determined by Q CON.

19. INDEMNITIES

SUPPLIER shall indemnify and hold harmless Q CON and CLIENT against all actions claims, demands, costs, charges, damages and expenses arising from or incurred by reason of any infringement or alleged infringement of letters patent, registered design, trade mark (or name) or copyright resulting from the use or sale or intended use or sale of any GOODS supplied by SUPPLIER to Q CON and/or CLIENT.

Furthermore the SUPPLIER shall be solely liable for and shall indemnify and hold harmless Q CON and CLIENT against any liability, loss, damages, claim, suit, action, demand, expense or proceeding of any nature arising:

(a) Under any Statute or at common law in respect of personal injury (which shall include illness) to or death of any and all persons whomsoever; or

(b) In respect of loss or destruction of or injury or damage to or loss of use of any and all property real or personal (including but not limited to the property of Q CON).

(c) Except to the extent otherwise expressly provided, neither Q CON and / or CLIENT nor SUPPLIER shall be liable to the other for the following consequential loss or damage, namely loss of revenue, loss of production or loss of profit.

20. FORCE MAJEURE

Shall mean circumstances beyond the reasonable control of Q CON or SUPPLIER including but not limited to any form of government intervention, strikes and lock-outs (provided they do not result from an act or omission of SUPPLIER) and delays by SUB-SUPPLIERS but only where such delays are caused by circumstances which are beyond the reasonable control of the SUB-SUPPLIER. Shortage of labour, materials or utilities shall not constitute FORCE MAJEURE unless caused by circumstances beyond reasonable control of SUPPLIER or SUB-SUPPLIER.

21. SEVERABILITY

If any of this PURCHASE ORDER is or becomes illegal, invalid or unenforceable in any relevant jurisdiction, the legality, validity or enforceability of the remainder of the PURCHASE ORDER will not be affected and this PURCHASE ORDER will be read as if the part had been deleted in that jurisdiction only.

22. ASSIGNMENT

(a) SUPPLIER shall not assign, sub-contract or transfer this Contract as a whole or in part without the previous written approval of Q CON. Approval to sub-contract given by Q CON shall not relieve the SUPPLIER from any of its obligations or liabilities under the PURCHASE ORDER. The SUPPLIER shall be liable to Q CON for the acts and omissions of sub-suppliers and employees and agents of sub-suppliers as if they were acts or omissions of the SUPPLIER.

(b) Q CON has a right to assign to CLIENT the whole or part of its rights or obligations under the PURCHASE ORDER.

23. NOTICES

All notices to be given by a party under these Purchase Order Conditions and Instructions must be in writing and may be given to the other party by hand delivery, prepaid post, or facsimile addressed to the other party at its last known address or facsimile number or as specified by the other party. Any notice given under these Purchase Order Conditions and Instructions will be deemed to have been received by the person to whom it was sent:

- a) in the case of hand delivery, upon delivery
- b) in the case of prepaid post, three days after dispatch; and
- c) in the case of facsimile upon completion of the transmission.

24. WAIVER

Failure of Q CON to exercise any of its rights under any of the Purchase Order Documents, or to insist upon strict performance of any term or condition

of the PURCHASE ORDER, shall in no way constitute a waiver of those rights or remedies hereunder nor shall such failure excuse the SUPPLIER from any of its obligations under the Purchase Order Documents. Any power or right of Q CON hereunder may only be waived by a written document to that effect signed by Q CON.

25. GOVERNING LAW AND JURISDICTION

The terms and conditions contained in the Purchase Order Documents are governed by and must be construed in accordance with the laws of QATAR, and the parties hereby agree to submit to the non-exclusive jurisdiction of the courts of QATAR.

26. RESOLUTION OF DISPUTES

Disputes, controversies or differences between the Parties hereto arising out of or in connection with any provisions of this Agreement or the termination or expiration hereof shall be settled if possible in the first instance amicably in good faith and with sincerity. If amicable settlement cannot be reached then the matter under dispute shall be settled by arbitration in Qatar.

The Party wishing to commence the arbitration shall notify the other Party of its desire to arbitrate, such notice to be sent by registered post with acknowledgment of acceptance. The Parties shall appoint a sole arbitrator, or, in the default of agreement upon a sole arbitrator, each Party shall then appoint its own arbitrator. The two arbitrators so appointed shall appoint an umpire. If the two arbitrators do not agree on the appointment of the umpire they shall apply to the court to appoint an umpire. The arbitration award shall be final and binding on both Parties and the Parties undertake to carry out the award without delay. The arbitration proceedings shall be conducted in the English Language.

II The following additional Terms and Conditions apply for the Provision of Services or Performance of Work at SITE

27. Insurance

a) Unless expressly stated in the Order, the Supplier shall at its own cost, effect and maintain insurance to the value of Public Liability -----, Professional Indemnity -----, Motor Vehicle 3rd Party and Workers Compensation with insurers reasonably approved by Q CON, such insurance to cover from the commencement date to one year after completion;

b) Upon request, the Supplier shall provide Q CON with evidence that such insurance is being maintained;

c) If the Supplier neglects, fails or refuses to obtain the required insurance or to provide Q CON with current Certificates of Insurance as and when required, Q CON shall have the right (without being under any obligation) to

procure such at the Supplier's expense and to deduct the cost from any sums that may be or become due to the Supplier under this Order;

d) The taking out of any insurance as aforesaid shall not relieve the Supplier of any of its obligations under this Order, or at Common Law or pursuant to any statute, rule, regulation or other enactment;

e) Any insurance required to be effected by the Supplier in joint names in accordance with the PURCHASE ORDER shall include a cross-liability clause in which the insurer agrees to waive all rights of subrogation or action against any of the persons comprising the insured and for the purpose of which the insurer accepts the term "insured" as applying to each of the persons comprising the insured as if a separate policy of insurance had been issued to each of them (subject always to the overall sum insured not being increased thereby)

28. Taxes

The Supplier shall pay all taxes, duties, assessments or other charges of any kind levied by any government or authority in connection with the work and / or the use of any equipment, supplies, material or labour in performance of the work or services. Q CON may deduct from monies due to the Supplier such amounts as may be required by law.

29. Claims

The Supplier shall have no right to any monies claimed by it to be paid by Q CON under this Order, other than a progress or final payment unless:

a) A claim for these monies has been made in writing or a notice in writing that a claim for an amount then unspecified would be made, in each case to Q CON within one month after the occurrence of the event or the issue of the direction from which the claim arose;

b) The claim or the notice contains full particulars.

30. Ownership Risk

The ownership of materials or section of the works shall pass to Q CON upon Q CON 's payment to the Supplier, or upon incorporation of the work, whichever first occurs. The Supplier shall be accountable and responsible for the care, custody and control of all material, equipment and supplies provided by or entrusted to the Supplier and which are to be incorporated in the work.

31. Site

a) The Supplier shall keep the work site clean and tidy condition throughout the duration of the work;

b) On completion of the work, the Supplier shall remove all debris and excess and excavated material and generally leave the site in a clean and tidy condition to the satisfaction of Q CON.

32. Variation in Work

a) Q CON may direct the Supplier, by written notice, to vary the form, quality or order of work provided that no additional work will be paid for by Q CON unless performed in accordance with the written notice of Q CON;

b) The price for the variation shall be determined by mutual agreement between Q CON and the Supplier, and unless otherwise directed by Q CON, shall be determined before the Supplier has undertaken the variation.

33. Independent Contractor

The Supplier shall be an independent contractor and shall perform the work in accordance with its own methods. No person engaged in performing the work shall be or be deemed to be an employee or agent of Q CON for any purpose whatsoever.

34. Responsibilities of the Supplier

a) The Supplier shall provide all personnel, equipment, materials and other things (except those specified to be supplied by Q CON) necessary to complete the work to the satisfaction of Q CON;

b) The Supplier shall be responsible for the safe custody of all plant, machinery, tools and materials used in the work, or any articles entrusted to the Supplier, and the Supplier assumes all risk of loss or damage to the article while it is in the Supplier's control;

c) In the event of loss or irreparable damage to any plant, machinery, tool or material, the Supplier shall promptly reimburse Q CON for the replacement value of the article. The Supplier at the Supplier's expense shall promptly repair any other damage.

d) The SUPPLIER shall carry out all works in accordance with Work Methods approved by Q CON / CLIENT and shall conform to the safety standards stipulated by CLIENT and Industry Standards.

35. Duration

The Supplier shall commence the work by the commencement date and complete it by the completion date (as may be extended) pursuant to this order.

36. Liquidated Damages

If the Supplier does not reach practical completion by the date for practical completion as stated in the order, Q CON shall call upon the Supplier to pay and the Supplier without any demur or protest shall pay Q CON, liquidated damages to the value of 1% of the contract value per day up to a maximum value not exceeding 10% of the value of the order.

37. Certificate of Completion

When the Supplier is of the opinion that practical completion has been reached, the Supplier shall in writing request Q CON to issue a certificate of practical completion. Within 14 days after receiving the request, Q CON shall give the Supplier either a certificate of practical completion evidencing the date of practical completion or written reasons for not doing so.