



Al Haditha Petroleum Services S.A.O.C

Purchase Terms and Conditions

Specific Terms and conditions :

- 1- The supplier shall provide the service to the entire satisfaction of terms and conditions of Al Haditha Petroleum Services S.A.O.C (Hereafter abbreviated as AHPS). and the Supplier shall replace at no cost to Al Haditha should the Terms and Conditions of this order not met immediately within 7 days, otherwise AHPS has the right to seek alternatives and reimburse from yourselves.
- 2- The supplier should attach the required documents or those specified on PO with the delivery.
- 3- The supply of material or delivery of service should be certified by authorized person from AHPS
4. Al Haditha strongly recommends the use of LCC Companies and Equipment Suppliers registered by Al Haditha. The approved vendors/contactors list to be provided to Supplier/Sub Contractor by Al Haditha on request.
- 5- The supplier shall supply original brand items in good condition to the entire satisfaction of ourselves (Al Haditha Petroleum Services - Duplicate items will be rejected and damage charges will be imposed accordingly, including delays, accidents caused by it.
6. Damaged materials will not be acceptable and shall be replaced immediately by yourselves without any additional cost to Al Haditha.
- 7- The supplier shall supply all materials as per the material description, specifications, brand, country of origin mentioned in the Purchase order.
- 8- The Delivery Note must be according to Al Haditha Petroleum Services S.A.O.C. Purchase Order mentioning item number, description, item code, quantity, unit of measure and any other information specified in the P.O.
- 9- The Original or Delivery Note is to be handed over to the employee of Al Haditha Petroleum Services S.A.O.C who receives the material or service from the supplier.
- 10- The Delivery Note shall be STAMPED and duly SIGNED by the Al Haditha Petroleum Services S.A.O.C Storekeeper to release later the invoiced amount.
- 9- Delivery time 7.00AM to 11.30AM and 2.00PM to 3.30PM (SUNDAY TO THURSDAY). Please contact the AHPS person mentioned on the purchase order 24hrs prior to the delivery and inform the details such as purchase order number, nature of the items, approx. weight, any special off-loading requirement. AHPS will not be liable for the delay or any other consequences may rise due to lack of the specified notification.
- 10- For material to be delivered at site, the journey management procedure is to be followed. For heavy and huge cargo advance warning to be given by the supplier to the receiving store so as to arrange for offloading.

11- The supplier driver shall carry the Original Delivery Note, Copy of Al Haditha Petroleum Services S.A.O.C. P.O. for Warehouse.

12- The supplier driver and helpers must wear proper approved PPE and strictly adhere to Al Haditha HSE procedures and rules.

Terms Of Payment

1- The Invoices should be sent to Al Haditha Petroleum Services S.A.O.C. in Way No: 5005, Bldg. No:705, Amlak Bldg. Behind 360° Hotel, Ghala Hieghts, Near Vachas HyperMarket, Block : 250, Flat No 51 (Oman) no later than 3 days after delivery or completion of service.

2- The Invoices should mention the Al Haditha Petroleum Services S.A.O.C. P.O. number, otherwise the invoice will be rejected.

3- The supplier should attach copies of job completion certificate and/or purchase order signed by the Al Haditha authorized personnel.

4- The supplier should attach copies of delivery note/order for the purchase order signed by Al Haditha Petroleum Services S.A.O.C. warehouse staff or any Al Haditha authorized receiving personnel.

5- All payments shall be made as per the payment terms mentioned in this purchase order after receiving the invoice in the Al Haditha head office.

6 - Unless or other specified in the purchase order, for normal supplies and sub-contractor services, the payment will be made 45 to 60 days depending on the situation and requirement.

7 – For third party services / contracts the payment terms will be back to back in line with AHPS's client or End user. ie. the payments for orders stating “Third Party Services” the payment will be effective after AHPS receiving the payment from the client – who is the the end user of the scope.

8 – Suppliers/vendors with whom AHPS is not having credit facility, depending on the agreement a Current Dated Cheque or Post Dated Cheque or same day transfer will be issued at the time of delivery of materials or Service to AHPS.

9- In special cases and when situation demands advance payment will be paid, pending management decision

Penalty

Failure to deliver the material or the service on the date mentioned in the purchase order, due to the reason for delay solely attributable to the supplier, the late delivery penalty clause will be applicable.

Late delivery Penalty clause : Upto 15 days from the completion date agreed 0%; 15 - 21 days @ 2.5% & 22 and more days @ 10% deduction of total invoice value

Modification / Amend of Purchase Order

Delivery time, prices, quantities & Unit of Measure of this purchase order may be modified / amended by written approval from the authorized employee of Al Haditha Petroleum Services S.A.O.C.

Cancelation / Termination

This purchase order may be canceled or terminated partially or wholly and demand you to pay Al Haditha the relevant costs and fees and expenses resulting by YOURSELVES failure to :-

- 1- Not provide service in an agreed proper and correct manner.
- 2- Not provide service on agreed time mentioned in this purchase order.
- 3- Not deliver the materials according to the technical specification mentioned in this purchase order.
- 4- Not deliver the materials on agreed time mentioned in this purchase order.

Force Majeure Clause

Neither party shall be responsible for any failure to fulfill any of its obligations if fulfillment shall be prevented by force majeure (i.e. unforeseeable occurrences beyond the control of the party affected).

Governing Law and Arbitration

The contract shall be governed and interpreted in accordance with the law of the Sultanate of Oman.

All disputes arising from the contract shall be referred to an arbitrator to be mutually agreed between parties.

The finding of the arbitrator shall be accepted as final and binding upon the parties. The venue of the arbitration shall be Muscat.

Disclaimer and addendum to General Terms and conditions

These Terms and Conditions are part of the Purchase Order to which these Terms and Conditions are attached ("Order"). This Order constitutes the entire agreement between Al Haditha Petroleum Services Co. and its vendor(s) ("Supplier"), both of whose name appears on the face of this Order. This Order relates to the subject matter of this Order, as set out on the face of the Order, and any representation, affirmation of fact and course of prior dealings or promise in connection herewith shall not be binding upon either Party unless made in accordance with Article 16. This Order will be governed by these terms and conditions as modified by the terms and conditions on the face of this Order, which shall prevail.

1. Price The price of the goods/services (collectively, the "Items") covered by this Order shall be the price shown for each of such Items on the face of this Order. If the price column of this Order is marked "To Advise" or similar instruction, Supplier shall advise Al Haditha Petroleum Services SAOC of the price for such Items prior to delivery or performance.

2. Payment Terms Unless alternate payment terms are agreed between the Parties, payment will be made 45 - 60 days from the date of receipt of items or receipt of invoice whichever is later unless any other payment terms have been agreed in writing; provided, however, no payment will be due prior to Supplier's delivery to and acceptance by Al Haditha Petroleum Services SAOC of any goods or completion by Supplier and acceptance by Al Haditha Petroleum Services SAOC of any services. If discounts are offered, Al Haditha Petroleum Services SAOC shall have the option to pay invoices according to discount terms. Invoices shall be submitted in original to Al Haditha Petroleum Services SAOC at the address indicated on the face of this Order. If, at anytime prior to the delivery of any Item to Al Haditha Petroleum Services SAOC by Supplier, Al Haditha Petroleum Services SAOC is made aware of an opportunity to purchase any Item from a third party source for a price below that being offered by Supplier, Al Haditha Petroleum Services SAOC may terminate this Order as to that Item and purchase that Item from such third party source without being in default hereunder or terminating this Order as to any other Items covered by this Order. Al Haditha Petroleum Services SAOC will advise Supplier of the offered lower price within five (5) days of being made aware of the lower price and afford Supplier the opportunity to meet such lower price. If Supplier does not choose to meet the third party price, Al Haditha Petroleum Services SAOC may take the action indicated above.

3. Delivery, Packing and Invoices. Time is of the essence in the performance of this Order. Delivery shall be made in the quantities, to the location and on the delivery date(s) specified by Al Haditha Petroleum Services SAOC on the face of this Order. Supplier shall, at its expense, exert every reasonable effort necessary to meet the agreed delivery dates. Supplier shall notify Al Haditha Petroleum Services SAOC immediately if it appears that the delivery schedule set forth herein may not be met. Such notification shall include the reasons for anticipated delays, steps being taken by Supplier to remedy any such delays, and a proposed revised delivery date. No charges for packing, cartage or crating will be paid unless stated herein. All shipments not accompanied by a packing ticket must accept Al Haditha Petroleum Services SAOC's count as final and conclusive. Each container must be marked to identify contents and must show Order or lot number as appropriate. Separate invoices for each shipment and notice of shipment in the number of copies specified in this Order, must be forwarded to Al Haditha Petroleum Services SAOC on the day of shipment. Invoices must show Order and part numbers and be accompanied by original Bills of Lading or Express Waybills when shipment is by carrier. Hazardous Items must be marked, labeled and offered for transportation in accordance with all applicable requirements.

4. Substitution/Deviation. No substitutions changes or alterations to any specification, invoice or Order requirement will be made without the written consent of Al Haditha Petroleum Services SAOC. Supplier shall not receive compensation in any form from Al Haditha Petroleum Services SAOC for unauthorized substitution or deviation.

5. Material and Equipment Furnished by Al Haditha Petroleum Services SAOC. All materials and equipment furnished by Al Haditha Petroleum Services SAOC other than on a charge basis or fully paid for by Al Haditha Petroleum Services SAOC, will be deemed as held by Supplier as bailee, and Supplier agrees to pay Al Haditha Petroleum Services SAOC for all such material/equipment damaged or lost by Supplier.

6. Installation. In the event that any Items ordered require installation or the services of a supervisor or expert, Supplier agrees to furnish the same as soon as reasonably possible, either with or without charge as agreed in this Order. That person will not be deemed to be the agent or employee of Al Haditha Petroleum Services SAOC, and Supplier assumes full responsibility for their acts and omissions.

7. Title. Title to Items purchased under this Order will pass to Al Haditha Petroleum Services SAOC on delivery at point of loading or acceptance by Al Haditha Petroleum Services SAOC as specified in the Order.

8. Warranty. Without prejudice to any implied warranties (statutory or otherwise), Supplier warrants that all Items covered by this Order will conform to the specifications, drawings, samples and other description furnished or adopted by Al Haditha Petroleum Services SAOC and will be fit and sufficient for the purpose intended, serviceable, of good material and workmanship and free from defects. All Items received by Al Haditha Petroleum Services SAOC may be subject to inspection and rejection. Rejected materials for QC/QA reasons shall be returned at Supplier's expense, including transportation charges previously paid by Al Haditha Petroleum Services SAOC. In the event of a breach of this warranty, Al Haditha Petroleum Services SAOC shall have the option to require Supplier to replace the defective material and/or to cancel this Order and/or sue for damages. Al Haditha Petroleum Services SAOC reserves the right to audit and have access to Supplier's premises to verify that QC/QA requirements are being met by Supplier and its subcontractors.

9. Further Stipulations. All representations and warranties regarding this Order are also deemed conditions and shall not be exclusive of other remedies of Al Haditha Petroleum Services SAOC.

10. Cancellation. Al Haditha Petroleum Services SAOC may cancel this Order for any reason whatsoever upon 30 days' written notice to Supplier. Any Items where manufacturing has begun and are within five (5) days of completion, will be paid in full by Al Haditha Petroleum Services SAOC. All Items, not within five (5) days of completion, shall be paid for on the basis of actual costs of labor, materials and supplies applied to the production of such Items and proper and reasonable overhead expenses; provided, however, that such cost and expenses shall not exceed seventy-five percent (75%) of the quoted price of such Items.

11. Patent Protection. Supplier will release, defend and indemnify Al Haditha Petroleum Services SAOC from and against all actions, claims, demands, losses, damages, liabilities, awards, costs and expenses (including all reasonable attorneys' fees) ("Claims") resulting from any proceeding brought against Al Haditha Petroleum Services SAOC or any of its customers based on a Claim that any Item, or its use in the manner intended by the Supplier, infringes any patent. Supplier shall pay any judgment awarded as a result of any such proceeding against Al Haditha Petroleum Services SAOC or any of its affiliates or clients. If the use of any such item as intended by Supplier is prohibited, Supplier shall, at its own expense, either obtain for Al Haditha Petroleum Services SAOC and any of its clients the right to continue using such item, replace it with a non-infringing item, modify it so it becomes non-infringing, or remove such item and refund the purchase price and all transportation and/or installation costs.

12. Confidentiality. All drawings, specifications, and other technical, economic or other information, whether in written, oral or visual form, furnished by or on behalf of Al Haditha Petroleum Services SAOC or created or produced by Supplier for Al Haditha Petroleum Services SAOC in relation to this Order shall remain or become Al Haditha Petroleum Services SAOC's property and shall be deemed to be the confidential information of Al Haditha Petroleum Services SAOC. Such confidential information shall not be reproduced, given or disclosed to any third party by Supplier without Al Haditha Petroleum Services SAOC's prior express written consent and Supplier shall only use Al Haditha Petroleum Services SAOC's confidential information for the purposes of this Order. Supplier shall limit internal dissemination of Al Haditha Petroleum Services SAOC confidential information to only those individuals whose duties justify their need to know such information. All confidential information shall be returned to Al Haditha Petroleum Services SAOC upon completion of this Order or upon Al Haditha Petroleum Services SAOC's demand. Al Haditha Petroleum Services SAOC shall be under no obligation to keep confidential any information furnished to Al Haditha Petroleum Services SAOC hereunder by Supplier.

13. Indemnity. Supplier shall release, indemnify, defend and hold Al Haditha Petroleum Services SAOC harmless from and against any and all Claims of any kind resulting from or arising out of, in conjunction with or related in any way to (a) the Items acquired or purchased by, provided to, or performed for Al Haditha Petroleum Services SAOC hereunder, whether used by Al Haditha Petroleum Services SAOC or by customers of Al Haditha Petroleum Services SAOC; or (b) a breach of any terms and conditions of this Order by Supplier or its subcontractor(s).

14. Consequential Damages. Neither Al Haditha Petroleum Services SAOC nor the Supplier shall be liable to the other for any indirect, special, punitive, exemplary or consequential damages, including, but not limited to, damages for lost production, lost revenue, lost product, lost profits, lost business or business interruptions regardless of the sole, joint and/or concurrent negligence of either party, and each party hereby releases the other in this regard.

15. Insurance. Supplier shall obtain and maintain Commercial General Liability Insurance and Comprehensive Automobile Liability Insurance at its expense with a reputable insurance company, properly safeguarding the Supplier against its liability hereunder, in amounts reasonably acceptable to Al Haditha Petroleum Services SAOC. Supplier shall furnish to Al Haditha

Petroleum Services SAOC insurance certificates confirming such insurance, that the premiums have been paid, and specifying the names of the insurers, policy numbers and expiration dates. All such insurance policies shall provide that, in the event of cancellation, written notice of such cancellation shall be given to Al Haditha Petroleum Services SAOC at least fourteen (14) days prior to the effective date of such cancellation.

16. Taxes. Prices quoted for Items supplied under this Order will be inclusive of sales and any other transaction taxes unless otherwise quoted by Supplier.

17. Force Majeure. If Supplier is unable by reason of Force Majeure to carry out any of its obligations under this Order, other than obligations to pay money, then on Supplier giving notice and particulars in writing to Al Haditha Petroleum Services SAOC within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. "Force Majeure" shall include acts of God, laws and regulations, government action, war, civil disturbances, strikes and labor problems, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, shortage of raw materials and any other causes that are not reasonably within the control of the Supplier.

18. Changes. The Parties may change or adjust the terms of this Order provided that no such change or adjustment shall be binding on either Party unless agreed to in writing.

19. Controlled or banned items : The supplier is responsible to understand the regulatory information of the Sultanate of Oman, up to the date so that all items/services delivered to Al Haditha Petroleum Services SAOC is in compliance with the countries rules and regulation. Supplier should not supply or agree to supply any material or services which is controlled or banned in the country at no circumstances. In case of any permit or approvals from the legal authority of the sultanate is required for any material or service, supplier should communicate to Al Haditha Petroleum Services SAOC in writing and upon written approval from AHPS to proceed with obtaining the permit or approval prior to the delivery of such services or materials.

20. Assignment. This Order is not assignable by Supplier without the prior written consent of Al Haditha Petroleum Services SAOC, such consent not to be unreasonably withheld.

21. Applicable and Governing Law. This Order shall be governed by and all disputes shall be resolved in accordance with the laws of England and Wales. The Parties agree to be subject to all laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Items to be provided by Supplier or that may otherwise be applicable to this Order.

22. Mediation/Courts. For any dispute or claim ("Dispute") arising out of this Order, the Parties will attempt to resolve any Dispute between them in good faith negotiations to reach a rapid and equitable solution. If the parties are unable to resolve a Dispute through negotiation, then the Dispute shall be referred to and finally resolved by the English Courts which shall have exclusive jurisdiction. Notwithstanding the provisions of this paragraph, the parties accept that they may take proceedings for injunctive or similar relief in the courts of any jurisdiction to restrain or prevent any breach of this Agreement.

23. General. Failure of either Party to enforce any of the part of this Order shall not prevent a subsequent enforcement of such part or be deemed a waiver of any subsequent breach. Should any provision of this Order, or portion thereof, be unenforceable or in conflict with governing country, state, province, or local laws, the validity of the remaining provisions shall not be affected by such unenforceability, and this Order shall be construed as if such provisions were not contained herein.