

GENERAL TERMS AND CONDITIONS OF PURCHASE

THESE GENERAL TERMS AND CONDITIONS OF PURCHASE (the “**T&C**”) are made by and between OCTAL and Supplier.

1. DEFINITIONS

The following expressions, used in the Agreement, shall have the meanings set out opposite them respectively:

- “**Agreement**” means the T&C and the PO;
- “**DDP**” means Delivery Duty Paid as per INCOTERMS 2010;
- “**Force Majeure Event**” means any prevention, hindrance or delay of a Party’s performance of any of its obligations pursuant to Agreement due in whole or in part to reasons that are both beyond the reasonable control of such Party and that could not have been prevented by the exercise of reasonable precautions;
- “**OCTAL**” means OCTAL SAOC FZC, organized and existing under the laws of Sultanate of Oman, CR no.1008995;
- “**Parties**” means Supplier and OCTAL;
- “**Party**” means Supplier or OCTAL;
- “**PO**” means the purchase order submitted by OCTAL to Supplier for the supply of PO Items;
- “**Price**” means the purchase price mentioned in the PO;
- “**PO Item**” means any good and/or service listed in PO; and
- “**Supplier**” means the person, firm or company to whom OCTAL issues PO.

2. SCOPE OF APPLICATION

T&C are applicable to all purchases of PO Items made by OCTAL from Supplier.

3. TRANSACTION AGREEMENT

- 3.1. Supplier agrees to sell to OCTAL and OCTAL agrees to purchase from Supplier PO Items according to the provisions of T&C. Signing and returning the respective copies of Agreement or, in any event, commencement of performance shall constitute unconditional acceptance of the T&C by the Supplier.
- 3.2. Purchase is regulated by T&C specified herein.
- 3.3. In case of discrepancy between the provisions of the T&C and those of the PO, provisions of the T&C shall supersede.
- 3.4. In case of discrepancy between Agreement and any other agreement, understanding and/or document, the provisions of the Agreement shall supersede.
- 3.5. If OCTAL does not receive Supplier’s written acceptance of Agreement within ten (10) days of delivery of the same, OCTAL will be entitled to terminate Agreement upon OCTAL sole discretion and at no cost or liability for OCTAL. Parties unconditionally and irrevocably agree that T&C replace and supersede any other terms and conditions.
- 3.6. No modifications to Agreement shall be accepted unless made in writing and accepted by both Parties.
- 3.7. Parties may elect to complete this purchase through the use of electronic document transmission which will in this case be deemed as originals.

4. SPECIFICATIONS

Supplier warrants that all PO Items furnished under Agreement comply with any applicable specification of OCTAL (the “**Specifications**”). In the event where PO Items are not in compliance with Specifications, Supplier agrees to immediately and without any delay remedy to said non-compliance and proceed with Agreement according to Specifications.

5. PRICE AND PAYMENT TERMS

- 5.1. Unless otherwise is expressly accepted in writing by OCTAL, prices shall be fixed as specified in PO and are inclusive of any taxes, customs duties, clearances and other charges, and the costs of packaging, delivery, storage, off-loading and insurance. All payment terms are specified in the PO.
- 5.2. If, at any time, under applicable laws, OCTAL is required to withhold any tax on income payable to Supplier, OCTAL shall deduct the amount from the gross amount due to Supplier and remit it to the appropriate tax authorities. Upon request, OCTAL will furnish Supplier with the official deduction certificate as per local regulations and forms. Supplier shall bear the amount paid in accordance with the applicable tax, and Octal shall have no obligation to reimburse such amount to Supplier.
- 5.3. In case the value of any PO Item is decreased for a reason other than the OCTAL’s action and/or omission, prior to the delivery of said PO Item (the “**Value Decrease**”), Supplier shall reduce Price accordingly, at any time within one (1) year following the date of delivery of the relevant PO Item. In case the payment has already been made by OCTAL prior Value Decrease, Agreement shall be automatically amended to compensate the Value Decrease. If not specified otherwise, prices shall include shipment. OCTAL shall be entitled to set off monies due to Supplier due to any claim that OCTAL may have against Supplier.

6. AGREEMENT ON SHIPMENT/DELIVERY

- 6.1. Unless otherwise specified in PO, deliveries of goods are to be made by Supplier as “**DDP Salalah, Sultanate of Oman**”.
- 6.2. Deliveries of PO Items are to be made in quantities, specifications, shipping requirements and within the deadlines specified in the PO (the “**Requirements**”).
- 6.3. Supplier agrees that if any Requirement is not met, OCTAL is entitled to terminate Agreement subject to settlement of all outstanding obligations of OCTAL, without further liability to OCTAL incidental to such termination.
- 6.4. Supplier must notify OCTAL in writing and in details, any jeopardy to any Requirement.
- 6.5. If Supplier is in breach of Clause (6.4) of Agreement, Supplier shall be liable for any damage incurred to the item sold as a result of such breach.

7. TITLE/RISK OF LOSS

- 7.1. Supplier shall convey goods to OCTAL and transfer rightful ownership title thereof in accordance with the stipulated delivery terms and conditions of DDP INCOTERM. Title to, and risk of loss or damage to, the goods shall transfer to OCTAL at the time Supplier delivers and OCTAL accepts the goods.
- 7.2. Ownership title of the outcome of services shall be transferred to OCTAL once services are accepted by OCTAL.

8. DEFECTIVE OR NON-CONFORMING PO ITEMS

If within thirty (30) days from acceptance by OCTAL, it is determined that any PO Item is damaged, defective, or otherwise fails to conform to Requirements, OCTAL is entitled to accept, reject, repair, replace or ask Supplier to repair, re-work or replace relevant PO Items at Supplier’s sole liability and expense (including but not limited expenses relating to handling and transportation).

9. AUDIT CLAUSE

Supplier shall keep, and/or shall cause its affiliates to keep, in accordance with generally accepted accounting practices consistently applied, during and for a period of three (3) years after the end of Agreement, books, records, financial statements and any other account normally kept in such circumstances, pertaining to the actions undertaken hereunder. OCTAL may audit such records for a period of three (3) years after the acceptance of Agreement. If an audit undertaken by OCTAL hereunder indicates any omissions or errors in Supplier’s

invoices or in any payments made hereunder, appropriate adjustments in payments due shall be made.

10. WARRANTY

10.1. Supplier warrants that PO Items provided/rendered to OCTAL are in full compliance with Requirements; in case of non-compliance with Requirements, the provisions of Clause 8 shall apply.

10.2. Supplier shall agree that all PO Items shall be provided / rendered in a competent, professional and diligent manner, consistent with accepted industry practice and any applicable professional standards. For any PO Item is provided/rendered without conforming to such practice, standards, or codes, Supplier shall upon notice from OCTAL, correct OP Item to comply with Requirements in a prompt manner and at Supplier's cost and expense. Such warranty shall be for a period of one (1) year from the date such service is accepted by OCTAL.

10.3. Supplier shall at all times hold suitable insurance policy with sufficient coverage against any and all liabilities arising from negligent performance of any obligations under Agreement, deficient tools, vehicles and any other machine or instrument used in accomplishing obligations under Agreement. Such insurance policy should cover the duration of the Agreement and covers any and all liabilities in relation with any aspect of the accomplishment of obligations under Agreement. Supplier shall submit to OCTAL without any delay:

- Evidence that insurances described in this Clause has been effected/renewed; and
- Copies of relevant insurance policies described in this Clause.

11. START-UP, TRAINING AND SPARE PARTS

Where necessary, according to business best practices, Supplier shall provide OCTAL with full commissioning and start-up services, training and after sale support services in relation to the PO Items. Supplier will test and ensure the compliance of PO Items to Requirements.

12. CONFLICT OF INTERESTS AND GIFTS OFFERING

Supplier shall strictly avoid actions and conditions that conflict with the interests of OCTAL. This obligation also applies to Supplier's employees and their relationship with OCTAL and its employees, subcontractors, representatives, and/or their family members. Supplier also undertakes to abide by the Supplier's Code of Conduct prepared by OCTAL especially with regard to using all necessary precautions to prevent its employees from making, offering and/or receiving gifts, including, without limitation, entertainment, payment, loans or other valuable products or services (other than gifts of a nominal value and as permitted by applicable laws and regulations) for the purpose of influencing any person to act or refrain from acting on either its behalf or the behalf of OCTAL. Supplier shall promptly notify OCTAL of any employees or representatives of OCTAL, subcontractors or agents that have or obtain a material of substantial interest in any business of Supplier or its subcontractors.

13. CLAIMS

Upon the occurrence of any event for which Supplier intends to submit a claim for additional compensations or for an alternate period of performance, Supplier shall, as a condition precedent to OCTAL's consideration of such claim, give OCTAL notice in writing of such intent within fifteen (15) calendar days after the occurrence of such event. Supplier's failure to notify OCTAL within the fifteen (15) days' time period shall be deemed to be a waiver of any claim by Supplier.

14. NON-ASSIGNABILITY

Agreement shall not be assigned by Supplier, in whole or in part, without OCTAL's written consent. No such written permission will discharge or release Supplier from performing hereunder.

15. PATENTS

15.1. Supplier shall protect and indemnify OCTAL, its officers, agents, servants, and employees, from and against claims, damages, judgments, expenses, and losses (including attorney's fees) arising from infringement or alleged infringement of any patent caused by any of the products delivered.

15.2. The cost relating to his Clause 15, suffered by OCTAL, including legal costs, if any, shall be solely borne by Supplier, and provided further that OCTAL shall not settle nor compromise any such suit or proceeding without the prior written consent of Supplier. Furthermore, in the event that OCTAL should be enjoined in such audit or proceeding from using any of PO Items delivered hereunder, Supplier, at its option, shall promptly either: (a) secure termination of the injunction and procure for OCTAL the right to use such products without any obligation or liability, (b) replace said PO Items with non-infringing goods, equipment and/or services or modify same to become non-infringing, all at Supplier's expense and to OCTAL's satisfaction.

16. NONDISCLOSURE

Supplier shall agree that it will not divulge any information received or pertaining to OCTAL or OCTAL's affiliates to third parties, without permission expressly obtained from OCTAL, in connection with the performance of the PO unless said information is, at the time of disclosure by Supplier, lawfully in the Public Domain.

17. CONSEQUENTIAL DAMAGES

Nothing in the Agreement shall relieve Supplier from its liability for injury to persons or property, including property of OCTAL, whether such liability arises in contract, including breach of warranty, or tort, including negligence.

18. FORCE MAJEURE

Neither party to PO, nor their employees, suppliers, subcontractors, or agents, shall be liable for failure to perform thereunder due to Force Majeure Event beyond its reasonable control, such as fires, floods, court orders, strikes, acts of governmental authorities, or acts of God, provided that the Party affected by the Force Majeure Event gives the other Party timely notification of causes and effects of the force majeure.

19. INDEMNIFICATION

Supplier agrees to defend, indemnify and hold OCTAL harmless from and against any and all losses, damages, liabilities, costs and/or expenses, including but not limited to, any loss arising from breach of contract or improper performance and for damages and/or injuries which may be incurred by OCTAL by virtue of defective design, material or workmanship in the products and/or services furnished hereunder by Supplier and/or any of its subcontractors.

20. TERMINATION

OCTAL may at any time, for its convenience or otherwise, terminate Agreement within thirty (30) days written notice without penalty or liability to Supplier; provided however, that Supplier shall be entitled to just and reasonable compensation for that portion of the work performed and/or products supplied that are acceptable to OCTAL up to the notice of termination.

21. GOVERNING LAW AND DISPUTE RESOLUTION

Unless otherwise specified by the Parties in writing, this Agreement is construed and subject to the laws of Sultanate of Oman. Any dispute arising from, or in relation with, the existence, interpretation or execution of this Agreement will be subject to the sole jurisdiction of the courts of the city of Muscat, Sultanate of Oman.