

CONTRACT NO. 5600000xxx

SCHEDULE I

CONDITIONS OF CONTRACT

For

Title

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1. INTERPRETATION

The following considerations shall apply in regards to the Conditions of this Contract and Schedules which are articulated hereunder:

- 1.1.** words in the singular shall include the plural and vice versa and references to one gender shall include other genders;
- 1.2.** unless otherwise expressly stated, a reference to an Annex, Section, subsection, or paragraph shall be a reference to an annex, section, subsection, or paragraph (as the case may be) of or to this Contract;
- 1.3.** if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated inclusive of that day;
- 1.4.** references to years, quarters, months, days, and the passage of time shall be construed in accordance with the Gregorian calendar;
- 1.5.** references to writing shall include any modes of reproducing words in any legible form and shall include email to the extent confirmed by return email from the recipient thereof;
- 1.6.** References to any Governmental entity or any governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, in any jurisdiction shall include any successor to such entity.
- 1.7.** All headings are inserted solely for convenience and shall not be taken into consideration in the interpretation of this Contract.
- 1.8.** The Contractor shall be solely responsible for requesting any interpretation or clarification in reference to this Contract from the Company, and shall bear all expenses, costs and/or liabilities arising from his failure to do so.
- 1.9.** The entire Contract document is intended to be correlative and mutually explanatory. Any Work and/or Service required in one document, and not mentioned in another, shall be deemed as an integral part of the required Work at no additional cost or expense to the Company whatsoever.
- 1.10.** Any provisions in the Contract which are deemed unenforceable for whatever reason shall not invalidate other provisions hereof.

2. DEFINITIONS

In this Contract, unless the context otherwise indicates or requires, the following words and expressions shall have the meaning ascribed to them:

Acceptance of Work Certificate	Means that the Contractor's respective obligations under the Contract has been completed and issued in accordance with clause 18 of this Contract.
Business Day	Means a day, other than a Friday or a Saturday, on which banks are open for business in the Kingdom of Saudi Arabia.
Company	Means Saudi Aramco Jubail Refinery Company (SASREF)
Company's Parties	Means the Company, other contractors of the Company and their sub-contractors carrying out Works or Services at the Site, the Company's affiliates, successors and assigns and their respective officers, employees and agents.
Company's Representative	Means the Department Manager or his Representative of the Company, appointed by the Company and notified in writing to the Contractor to act as the Company Representative for the purpose of this Contract in accordance with clause 3.1 of this Contract.
Completion Date	Shall mean the date on which the Contractor has effectively completed the Work in full and in a satisfactory manner to the Company Representative as per the terms and conditions of this Contract.
Contract	Means the Memorandum of Agreement, these terms and conditions, the Schedules including but not limited to Schedule II Scope of Work and Schedule III Pricing Schedule, Appendices, and relevant documents incorporated therein, as agreed in writing by the Parties.
Contract Period	Means the period stated in the Memorandum of Agreement and any extension to same which may be agreed in writing between the Company and Contractor.
Contract Price	Means the sum to be ascertained and paid in accordance with the provisions hereinafter contained in the Pricing Schedule for the Services to be provided under the Contract. Contract Price shall be determined by the Company.

Contractor	Means the party so named in the Memorandum of Agreement and includes the Contractor's successors and legally authorized assignee.
Contractor's Parties	Means the Contractor and its Sub-Contractors or any tier to the extent concerned in the Works.
Contractor Final Clearance & Contract Close Out Certificate	Means the certificate that is issued by the Company to confirm that the Contractor has fulfilled all of its obligations provided in the Contract in accordance with clause 19 of this Contract.
Contractor's Personnel	Means the Contractor's Representative and all personnel whom the Contractor utilizes on Site, who may include the staff, labor and other employees of Contractor and any other personnel assisting the Contractor in the execution of the Works.
Contractor's Representative	Means the Contractor's Representative appointed in writing by the Contractor for the purpose of this Contract in accordance with clause 6.1 of this Contract.
Cost	Means all expenditure reasonably incurred by the Contractor, whether on or off the Site, including overhead and similar charges, but does not include profit.
Defects Liability Certificate	Means the final certificate issued by the Company to the Contractor noting that the Contractor's obligations to the Company in respect of the Defects Liability Period have ceased.
Defects Liability Period	Means that period of time during which the Contractor remains liable for the remedy of defects in the Works or Services under this Contract and shall be, in respect of the Works or any portion of them, eighteen (18) months from the issue of a Acceptance of Work Certificate in respect of the Works or the relevant portion of them.
Free Issue Materials	Means those Materials to be procured by the Company pursuant to the Contractor in order that it be incorporated into the Work.
Gross Negligence	Means, any act or failure to act (whether sole, joint or concurrent) which seriously and substantially deviates from a diligent course of action or which is in reckless disregard of, or wanton indifference to, a risk known, or so obvious it should have been known, and so great as to cause harm to people, property, the environment or the Contractor's contractual obligations.

Kingdom of Saudi Arabia	Means the Kingdom of Saudi Arabia or any Ministry, Agency, Authority or division or instrument thereof.
Law / Laws	Means all national legislations, statutes, ordinances and other laws, and regulations and by-laws of any legally constituted public authority.
Letter of Authorization	A written confirmation of a person's rank, authority, ability to enter into a legally binding contract, take a specific action, or delegate his duties and powers.
Materials	Shall include all raw and shaped materials as well as finished parts, units, installations, machinery, constructions and/or property of every kind and description including the Free Issue Materials.
Memorandum of Agreement	Means the Memorandum of Agreement between the Company and the Contractor relating to the Work and Services.
Plant	Means all plant, vehicles, scaffolding, machinery, appliances, tools or other equipment required in or about the execution or maintenance of the Services.
Pricing Schedule	Means the Pricing Schedule referred to in the Memorandum of Agreement, Schedule III.
Provisional Acceptance Certificate	Means the certificate issued by the Company when it considers the Works or any agreed portion of them are complete in conformity this Contract.
Retention Money	Means the accumulated retention moneys which the Company retains.
Scope of Work	Means the Scope of Work to be executed by the Contractor and referred to in Schedule II hereof, which defines the nature and extent of the Company's requirements and Contractor's obligations under the Contract and any Variation Orders thereof and/or addition thereto which within the Contract duration is agreed to by the parties.
Services	Means the Services to be provided by the Contractor as necessary to carry out the requirements of the Scope of Work and Specifications in Schedule II.
Site	Means the grounds and/or areas (including property thereon) owned and/or in use by the Company at Madinat Al-Jubail Al-Sinaiyah.

Supplier Portal	Means the Company's Supplier Relationship Management Portal electronic application which is hosted by the Company on the internet.
Sub-Contract	Means any agreement between the Contractor and any Sub-Contractor or any tier for the performance of any part of the Contract.
Sub-Contractor	Means any person appointed as a subcontractor or any tier for a part of the Works or Services; and the legal successors in title to each of these persons.
Variation Order	Any variation from the originally required Work, Services, Plant, Materials and Contract Price which is made in accordance with Clause 5 of this Contract.
Wilful Misconduct	Means a deliberate act or omission, the consequences of which were foreseen or foreseeable and intended to cause harm to people, property, the environment. or the Contractor's contractual obligations.
Work	See 'Scope of Work' above

3. THE CONTRACT ADMINISTRATION

3.1. The Company's Representative

The Company may appoint a Company's Representative to act on his behalf under the Contract. In this event, he shall give Notice to the Contractor of the name, address, duties and authority of the Company's Representative.

The Company's Representative shall carry out the duties assigned to him, and shall exercise the authority delegated to him, by the Company. Unless and until the Company notifies the Contractor in writing otherwise, the Company Representative shall be deemed to have the full authority of the Company under the Contract.

If the Company wishes to replace any person appointed as Company's Representative, the Company shall give the Contractor not less than 14 days' Notice of the replacement's name, address, duties and authority, and of the date of appointment.

3.2. Other Company's Personnel

The Company or the Company's Representative may from time to time assign duties and delegate authority to assistants, and may also revoke such assignment or delegation. These assistants may include a resident engineer, consultant, and/or independent inspectors appointed to inspect and/or test and/or monitor items or Plant and/or Materials and/or Services.

The Contractor and Sub-contractors shall give full support and provide all means of assistance to the assigned or delegated assistants above in order to complete their tasks or inspections properly and efficiently.

3.3. Delegated Persons

All these persons, including the Company's Representative and assistants, to whom duties have been assigned or authority has been delegated, shall only be authorized to issue instruction to the Contractor to the extent defined by the delegation. Any approval, check, certificate, consent, examination, inspection, instruction, notice, proposal, request, test, or similar act by a delegated person, in accordance with the delegation, shall have the same effect as though the act had been an act of the Company. However,

- (a) Unless otherwise stated in the delegated person's written communication relating to such act, it shall not relieve the Contractor from any responsibility he has under the Contract, including responsibility for errors, omissions, discrepancies and non-compliance;
- (b) Any failure to disapprove any Work, Plant or Materials shall not constitute approval, and shall therefore not prejudice the right of the Company to reject the Work, Plant or Materials; and
- (c) If the Contractor questions a determination or instruction of a delegated person, the Contractor may refer the matter to the Company Representative, who shall promptly confirm, reverse or vary the determination or instruction.

3.4. Instructions

The Company may issue to the Contractor instructions by way of a work order and/or any other form of document as determined by the Company which may be necessary for the Contractor to perform his obligations under the Contract. Each work order and/or instruction shall be given in writing and shall state the obligations to which it relates. If any such instruction constitutes a Variation, Clause 5 [*Variations Orders*] shall apply.

The Contractor shall take instructions from the Company, or from the Company's Representative or an assistant to whom the appropriate authority has been delegated under this Clause.

3.5. Determinations

Whenever the Conditions provide that the Company shall proceed in accordance with this Sub-Clause 3.5 to agree or determine any matter, the Company shall consult with the Contractor in an endeavor to reach agreement. If agreement is not achieved, the Company shall make a fair determination in accordance with the Contract, taking due regard of all relevant circumstances.

The Company shall give Notice to the Contractor of each agreement or determination, with supporting particulars. Each party shall give effect to each agreement or determination, unless the Contractor gives Notice, to the Company, of his dissatisfaction with a determination within 14 days of receiving it.

4. SCOPE OF WORK

The Contractor shall provide Services and execute Work as detailed in Schedule II 'Scope of Work and Specifications' for the duration specified in Memorandum of Agreement. Additional work as specified in Schedule II - Scope of Work and Specification for maintenance requirements may be requested by the Company Representative and Contractor, duly instructed, shall execute such additional work in accordance with the provision set forth in the Contract.

Work shall commence on the date agreed in the Contract, or if no date has been specified, immediately after the Contractor has been admitted to the Site, and has received the Company Representative's instructions to proceed.

The Contractor shall be deemed to have obtained, before entering into the Contract, all requisite information about the Site, risks, contingencies, local conditions and facilities, labor matters, Laws and regulations and any other relevant matter of whatever nature. Any failure by the Contractor to do so will not relieve it from responsibility for successfully performing the work without additional expense to the Company. The Company assumes no responsibility for any understanding or representation concerning conditions made by any of its officers or agents prior to the execution of the Contract, unless such understanding or representation is explicitly included in the Contract.

4.1. Execution of Work

- (a) The Contractor shall execute the Work and Services in complete accordance with the Contract and to the complete satisfaction of the Company Representative. In so doing it will exercise the highest degree of professional skill in accordance with sound practices and judgment normally exercised by recognized firms with respect to services of a similar nature. The Company Representative may reject any portion of the Work on the grounds of inferior workmanship, materials, or non-conformity with the requirements of the Contract and, in addition to all of the rights and remedies that the Company may have, may require such portion of the Work to be replaced or corrected in place, at the Contractor's expense.

Where applicable and/or determined in the Scope of Works, the Contractor shall be responsible to carry out site verifications at the Company's site as per the Company's procedure in order to verify if there are any differences between the Company's documents and pre-construction drawings provided by the Company to the Contractor (prior to the commencement of Work) compared to the actual site conditions after the Contractor has completed the said site verification. In amplification and not in derogation, the Contractor shall submit a written technical query to the Company in order to identify any differences (if any) based on the site verification conducted by the Contractor in accordance with the Company's procedure.

- (b) Contractor must give priority to the local market with regard to purchasing of feedstock, Materials and equipment contracting and services.

4.2. Programme of Work

- (a) At least daily, and whenever required by Company Representative or stated in other Schedules, the Contractor shall consult with, and obtain from, the Company Representative the Schedule and Programme of Work. Such Programme shall be the Programme to which the Contractor shall work and shall not relieve the Contractor of any of its duties or liabilities hereunder. Such Programme shall be subject to revisions from time to time as the Company Representative may require.
- (b) The Contractor shall keep the Company Representative fully informed in advance of all details of the Contractor's intended procedures in the performance of the Work, possible deviations from the agreed Schedule and the forecast Completion Date.
- (c) The Contractor's failure to perform the work in accordance with the agreed Programme, including any milestones specified therein, and in accordance with the latest instructions of the Company Representative, shall constitute an event of Contractor's default, which may lead to termination of the Contract.

5. VARIATION ORDERS

5.1. Variation Order Procedures

- (a) The Company may at any time issue a Variation Order to the originally required Work, Services, Plant and Materials.
- (b) In order for any Variation Order to become contractually effective, it must be officially issued and directed in writing by the Company to the Contractor with all necessary particulars and details, agreed upon and accepted in advance by both parties, clearly included and articulated therein.
- (c) The Contractor shall not change, alter or modify the Works, Services, Plant, Materials, Contract Price and Scope of Work without the written consent of the Company and it is always subject to this Clause [*Variation Orders*]

- (d) The Company reserves the right not to consider any additional work, services, plants and materials which has been provided by the Contractor in any manner that is not in line with the necessary aforesaid provisions.
- (e) The Contract Price, subject to mutual agreement, may be adjusted to take account of any increase or decrease in Cost resulting from a change in the Laws of the Kingdom (including the introduction of new Laws and the repeal or modification of existing Laws), made after the effective date mentioned in Memorandum of Agreement, which affects the Contractor in the performance of its obligations under the Contract. The Contractor shall provide sufficient evidence of the change in Cost resulting from the change in laws and any other documents requested by the Company's Representative.
- (f) If the Contractor suffers delay and/or incurs additional Cost as a direct result of these changes in the Laws, made after the effective date, the Contractor shall give Notice to the Company's Representative with full supporting details.
- (g) After the Company's Representative has received a Notice under clause [5.1(e)] or [5.1(f)], the Company shall proceed in accordance with Clause 3.5 [Determinations] to determine these matters.
- (h) Notwithstanding the foregoing, in no event shall the Contractor be entitled to any extension of time or additional Cost where such change in the Laws of the Kingdom relates to a change in tax (including corporate tax, withholding tax, value added tax, duty, surcharge, license, fee, government charge or levy, of any nature whatsoever).

5.2. Omission of Part of the Works

If the Company, in its absolute discretion, determines that the actual progress in respect of the Works or any part of the Work is not sufficient to enable the Works to be completed within the time for completion or key milestone date as applicable thereto and the overall schedule for the Work is likely to be materially adversely affected as a result, the Company may (without prejudice to its other rights and remedies under the Contract) issue a Variation Order to omit part or parts of the Works without Contractor approval and the Cost shall be adjusted accordingly.

The Contractor acknowledges and agrees that the Company may itself carry out or may engage others to carry out that part or parts of the Works that is omitted from the Contract as aforesaid and the Cost shall be adjusted accordingly.

6. THE CONTRACTOR

6.1. Contractor's Representative

The Contractor shall appoint the Contractor's Representative and shall give him all authority necessary to act on the Contractor's behalf under the Contract.

Unless the Contractor's Representative is named in the Contract, the Contractor shall, prior to the effective date, submit to the Company for its consent (which may be granted or withheld in the Company's absolute discretion) the name and particulars of the person the Contractor proposes to appoint as Contractor's Representative. If consent is withheld or subsequently revoked, or if the appointed person fails to act as Contractor's Representative, the Contractor shall similarly submit the name and particulars of another suitable person for such appointment.

The Contractor shall not, without the prior consent of the Company, revoke the appointment of the Contractor's Representative or appoint a replacement.

The Contractor's Representative shall, on behalf of the Contractor, receive instructions under Sub-Clause 3.4 [*Instructions*].

The Contractor's Representative may delegate any powers, functions and authority to any competent person, and may at any time revoke the delegation. Any delegation or revocation shall not take effect until the Company has received prior notice signed by the Contractor's Representative, naming the person and specifying the powers, functions and authority being delegated or revoked.

The Contractor's Representative and all delegates of the Contractor's Representative shall be fluent in English language.

6.2. Sub-Contractors

- (1) The Contractor shall not assign or Sub-contract to any third party the whole or any part of its obligations, Work or/and Services hereunder, without the prior written approval of the Company. No such approval shall relieve the Contractor from any liability or obligation under the Contract.
- (2) The Contractor shall ensure that similar rights, duties and obligations of the Contractor to the Company under this Contract shall be included in any Contract that the Contractor has with any such Sub-Contractors.
- (3) The Contractor shall be responsible for the acts, omissions, defaults and negligence of any Sub-Contractor, its agents, servants or workmen as fully as if they were the acts, omissions, defaults or negligence of the Contractor, its agents, servants or workmen.
- (4) Contractor shall include in every Sub-contract under this Contract, a provision prohibiting any further sub-contracting of any portion of the Work by the Sub-Contractor unless the Sub-contractor first obtains the approval of Contractor. Contractor shall not give such approval without first obtaining the approval of the Company.
- (5) The Contractor shall ensure that all warranties and other obligations and liabilities given or assumed by any Subcontractor under or pursuant to any Sub-contract ("Subcontractor's Warranties") may be freely assigned to the Company and to any person to whom the Company's rights hereunder may be assigned. If any Subcontractor's Warranty subsists beyond the expiry of the relevant Defects Notification Period, the Contractor shall, upon

- the expiry of such Defects Notification Period, assign to the Company the benefit of such Subcontractor's Warranty.
- (6) The Contractor, along with above obligations, shall ensure that all Sub-contracts contain the following provisions:
- (a) a right for the Contractor (or, in the case of Subcontracts between two Subcontractors, the appointing Subcontractor) to terminate the Subcontract either immediately or on reasonable notice in the event that (i) the Contract or (ii) the Contractor's service hereunder is terminated for any reason;
 - (b) an obligation for the appointed Subcontractor to mitigate its losses to the greatest extent possible in the event of termination of the Subcontract; and
 - (c) an obligation for the appointed Subcontractor to comply with the Safety Procedures, Occupational Health and Industrial Hygiene applicable at the Site or otherwise required by the Company.
- (7) The Contractor shall ensure (and shall include provisions in Subcontracts to this effect) that the Contractor's and the Subcontractor's records in respect of any Subcontract shall upon reasonable notice be open to inspection and subject to audit by the Company or its nominee during normal business working hours. The Company may conduct such audits or inspections throughout the term of the Contract and for a period of three (3) years following the issue of the Acceptance of Work Certificate. The records referred to above shall include any and all information, materials and data of every kind and character necessary to verify amounts payable in respect of the Subcontract. The Contractor shall cooperate fully and cause the Subcontractors to cooperate fully in furnishing or in making available to the Company from time to time whenever requested, in an expeditious manner, any and all such records and in providing reasonable access to the Subcontractor's facilities and personnel to audit the records.
- (8) Upon request by the Company, the Contractor shall submit to the Company's Representative unpriced copies of all Subcontracts which at the time the request in question is made have been entered into. Immediately after any Subcontract has been entered into, the Contractor shall notify the Company's Representative in writing of the name of the Subcontractor under the Subcontract and such Subcontractor's scope of work. The Contractor shall promptly provide to the Company's Representative in writing such information concerning Subcontractors and their work as the Company may request.
- (9) The Contractor shall ensure that all Subcontractors shall be appropriately qualified, licensed, skilled and experienced to, and that they shall, design, execute and otherwise perform and provide the Works or supply the Materials, as the case may be, subcontracted to them in accordance with the Contract.
- (10) The Contractor shall use reasonable endeavours to the extent practicable and in compliance with applicable Laws to use Saudi Arabian subcontractors as its Subcontractors for the performance of the Works, provided always that in each case:

- (a) the relevant subcontractors (as compared with non-Saudi Arabian subcontractors) have the requisite qualifications, experience and ability and are of the required quality to perform the parts of the Works subcontracted to them to the required standard; and
- (b) the prices offered or costs to be charged (as appropriate) by such subcontractors do not exceed the prices offered or costs to be charged by comparable non-Saudi Arabian subcontractors for the performance of Works equivalent to the subcontracted Works.

6.3. Contractor's Personnel

- (1) The Contractor and Subcontractor(s) shall meet the applicable Saudization targets provided by the Ministry of Labour and Social Development during the period of the Contract.
- (2) The Contractor's Personnel shall be appropriately qualified, skilled and experienced in their respective trades or occupations. To the extent applicable and/or as directed by Company, all requisite and applicable trade and technical personnel of the Contractor ("Technical Personnel") who are carrying any portion of the Scope of Work under this Contract shall be certified and qualified in accordance with the SAUDI ARAMCO's "Contractor Workforce Qualification Assurance Program" ("CWQAP"). The Technical Personnel shall include but are not limited to the Contractor's electrical technician, instrument technician, mechanical technician, HVAC technician, fabricator, pipe fitter and others as determined by the CWQAP.
- (3) The Company may require the Contractor to remove (or cause to be removed) any person employed on the Works Site or the Works, including the Contractor's Representative, if applicable, who in the Company's opinion:
 - (a) engages in any misconduct or lack of care;
 - (b) carries out duties incompetently or negligently;
 - (c) fails to conform with any provisions of the Contract; or
 - (d) Engages in any conduct which is prejudicial to safety, health, or the protection of the environment.
- (4) The Company may also require the Contractor to remove (or cause to be removed) any person employed on the Works Site or the Works, including the Contractor's Representative, who is required or requested to be removed by the government of the Kingdom of Saudi Arabia or any local authority or other regulatory body.
- (5) The Contractor shall be under an obligation to act on the Company's Notice requiring removal of any person forthwith if required by the Company or as soon as reasonably practical. The decision by the Company to exercise such power to give such Notice, in its absolute discretion, shall be final and binding and not subject to challenge in arbitration or court proceedings. The Company shall have no obligation to reimburse the Contractor the costs of or associated with replacing any member of the Contractor's Personnel who is the subject of such Notice requiring the removal of such person.

- (6) The Contractor Personnel and workforce shall at all times be under the supervision of a competent representative of the Contractor.
- (7) Neither the Contractor nor the Contractor's Personnel shall be deemed to be either expressly or by implication employees of the Company.
- (8) The Contractor shall pay all wages, fees, contributions, levies and any other contributions, charges and taxes required by Law to be paid by an employer in respect of such persons and shall make all appropriate deductions from their wages in respect of any employees' contributions.
- (9) The Contractor shall ensure that all workers employed by it or its Sub-contractors shall be employed in accordance with the requirements of the Labor Law and any other applicable rules and regulations of the Kingdom of Saudi Arabia.
- (10) The Contractor shall be responsible for obtaining all visas, Iqama and work permits necessary for his personnel engaged in the performance of this Contract. All visas for entry into or exit from the Kingdom of Saudi Arabia will be issued in accordance with the rules and regulations of the Kingdom of Saudi Arabia. The Contractor shall be in strict compliance with the rules and regulations of the visa issuing authorities of the Kingdom of Saudi Arabia at all times.
- (11) The Contractor shall, as soon as practicable after award of the Contract, and whenever requested by the Company Representative or wherever mentioned in the Contract, submit for the Company Representative's approval holiday and leave schedule that permits continuity of operations during scheduled absences of personnel. Such schedule shall be modified in accordance with the Company Representatives requirements (if any), and shall be subject to revision from time to time as the Company Representative may require. The submission to, and approval by, the Company Representative of such schedule shall not relieve the Contractor of any of its duties or liabilities hereunder.
- (12) The Contractor shall in respect of all persons employed by him in the execution of the Contract pay rates of wages and observe hours and conditions of labour which are not less favourable than the general level of wages, hours and conditions observed by other employers whose general circumstances in the trade or industry in which the Contractor is engaged are similar.
- (13) Key Personnel. Subject to the provisions contained in above, the Contractor must exclusively assign the key personnel listed in the Contract to the Work in the position assigned to them. The Contractor shall not remove any member of Key Personnel from its role without the written approval of the Company's Representative.
- (14) In the event that it becomes necessary to appoint any replacement member of Key Personnel, the Contractor must notify the Company's Representative in writing of the proposed replacement individual's name and the individual's name and the individual's qualifications and experience. The Company's Representative then has a ten (10) Business Day pre-approval period to review the proposed replacement individual's qualifications and experience, commencing on receipt of the above notification and to take instructions from the Company. During that pre-approval period, the Company's

Representative may reject the proposed replacement individual if the Company's Representative or the Company (acting reasonably) form the view that the individual is not adequately qualified or experienced to fill the relevant position. Any such rejection must be notified in writing to the Contractor, setting out the reasons for the rejection. Subject to this clause, the proposed replacement individual is deemed to be accepted by the Company and the Company's Representative unless such a rejection notice is given to the Contractor during the pre-approval period.

- (15) Where the Contract Price, or a relevant part of it, has been calculated on a time or unit rate basis, the Company shall be under no obligation to pay the Contractor in respect of any personnel for any period during which such personnel are unable to carry out the Works due to illness or other incapacity.
- (16) In the event that the Contract Price, or part of it, is to be calculated on a time or unit rate basis, signed, complete and accurate timesheets for the time worked by the Contractor's Personnel must be submitted weekly by the Contractor to the Company's Representative for approval. All such timesheets must be submitted by the Contractor to substantiate any invoice to the Company.
- (17) The Contractor shall keep proper wages books and time sheets showing wages paid and the time worked by all workmen and personnel employed by the Contractor for the performance of this Contract and shall produce such wages books and time sheets on demand for inspection by the Company's Representative.
- (18) The Contractor shall be required to engage workmen and personnel of various skills, sufficient competence and good character, and in adequate numbers for the satisfactory execution of the Contract. If any workmen or personnel so employed engage in misconduct, are dishonest or incompetent and/or are the subject of a complaint by the Company's Representative, the Contractor shall upon receipt of written Notice from the Company remove such workmen or personnel immediately and appoint others in their place and bear all costs incurred thereby.
- (19) The Contractor shall ensure where relevant that the Contractor's Personnel:
 - (a) hold and maintain all necessary certificates of vaccination and inoculation to enable them to enter and reside in the Kingdom of Saudi Arabia.
 - (b) hold in their possession a current medical certificate of fitness certifying they are medically fit to live and work in the Kingdom of Saudi Arabia; and,
 - (c) hold and maintain valid travel documents, visa, work and entry permits and all other documents necessary to entitle them lawfully to be and work in the Kingdom of Saudi Arabia.
- (20) The Contractor shall ensure that all Contractor's personnel and Sub-contractor's staff have a good command of the English language.
- (21) The Contractor's and Sub-Contractor's staff must not be younger than 18 years old.
- (22) The Contractor shall not over the duration of the Contract offer employment to any personnel who are at such time employees of the Company.

- (23) The Contractor shall at all times take all reasonable precautions to prevent any unlawful, riotous or disorderly conduct by or amongst the Contractor's personnel, and to preserve peace and protection of persons and property on and near the Works Site.
- (24) Contractor's Foreign Personnel: If the Contractor imports any personnel for the execution of the Works, the Contractor must ensure that these personnel are provided with the required residence visas and work permits. The Company will provide reasonable assistance to the Contractor in obtaining visas and work permits for the foreign personnel required for the execution of the Works. The Contractor shall be responsible for the foreign personnel's return to the place where such foreign personnel were recruited or to such foreign personnel's domicile. In the event of the death or serious injury, in the Kingdom of Saudi Arabia of any of these personnel or members of their families, the Contractor shall similarly be responsible for making the appropriate arrangements for their return to their place of origin. All associated expenses shall be to the account of the Contractor.

6.4. Contractor Equipment

- (1) Contractor Equipment (To be read in conjunction with Safety Policy and Procedure Manual issued with this Contract).
- (2) All Contractor's equipment and the equipment of all its Sub-contractors shall at all times be in first-class operating condition, safe, fit for the uses for which intended, and suitable for the safe and efficient performance of the Work. Maintenance of all equipment shall be at Contractor's own expense. All equipment shall be subject to inspection and approval on arrival at jobsite and at regular intervals thereafter as determined by Company. Any equipment which is rejected as not conforming with the foregoing shall be promptly removed from the Work Site by Contractor and replaced with equipment acceptable to Company without additional cost to Company and without delay in completion of the Work.
- (3) All of Contractor's equipment imported from outside Saudi Arabia will be required to clear Saudi Arabian Customs. Contractor shall obtain all licenses and customs clearances at its sole expense.

6.5. Contractor Work Site Responsibility

(1) Work Related Storage

The establishment or construction by Contractor of all work related storage areas and temporary structures on or adjacent to Company premises must be authorised in advance by Company and shall be confined to areas specified by Company. Authorised temporary structures shall be provided and maintained by Contractor at its own expense. If not already accomplished prior to the execution of this Contract, then promptly following execution of this Contract, Contractor shall submit to Company Representative, for Company approval, a plan for proposed ancillary site facilities required by Contractor during performance of the Work. This plan shall include but shall not be limited to, materials and equipment storage facilities, site offices, sanitary facilities, vehicle parking

areas, temporary electrical supply locations and trash collection areas, as well as proposed locations for each.

(2) Company's Roads

The Contractor shall have use of the Company's roads for the purpose of obtaining access to the Site and carrying materials, equipment and personnel thereon. The Contractor will be responsible for keeping such roads free from rubbish caused by its own, or its Sub-Contractors' or suppliers', vehicles and plant and shall make good any damage caused at its own expense or pay all costs and charges in connection therewith. The Contractor shall consult the Company as to the suitability and strength of the roads for the type of vehicles that it, its Sub-Contractors or suppliers intend to use.

(3) Condition of Site

The Contractor shall ensure that during the course of the Work, the site is maintained in a clean, safe and tidy condition. On the completion of the work or at the instruction of the Company Representative in case of the earlier termination of the Contract, the Contractor shall clear away and remove from the site all plant, temporary works, surplus materials and work rubbish of every kind and leave the whole of the Site and of the Work clean and in a workmanlike condition to the satisfaction of the Company Representative. If the Contractor fails, in the Company Representative's sole opinion, to adequately clean the Site, in the Company Representative's sole opinion, the Company Representative shall have the option of arranging for the Site to be cleaned and charge the Contractor for all the costs incurred.

(4) Work on Existing Premises

The Contractor shall not hinder the business operations of the Company. Unless otherwise specified, the Contractor shall co-operate fully with all other contractors and suppliers of the Company on the Site so as to avoid interference with the activities of such parties. The Contractor acknowledges that it shall not have any claim against the Company for delay or damage due to the actions or inaction of such other parties. The Contractor shall observe strictly all Company rules and regulations, copies of which shall be given by the Contractor to each of its employees and to those of its Sub-Contractors who will work on the Company's premises. The Contractor shall obtain a signed acknowledgement of receipt and comprehension of such regulations from each employee. Such receipts shall be produced by the Contractor for examination when required by the Company. Copies of the Company's rules and regulations shall be displayed prominently by the Contractor.

(5) Work Outside the Perimeter Fence

Contractor shall not perform any work for Company whatsoever outside the perimeter fence of the Refinery at Al-Jubail without the written permission of the Company and Contractor must effect and maintain all the permits required to work outside the perimeter fence which are issued by the Royal Commission authorities.

6.6. Contractor Insurances

Without limiting its obligations under this Contract if determined by the Company in writing, the Contractor shall effect and maintain in force at all times during the term of the Contract (or shall cause to be effected and maintained) all insurances that a reasonable and prudent person engaged in the relevant industry would effect and maintain and in any event the insurance listed in sub-paragraphs (a) – (e) below, all in accordance with the terms and provisions of this Clause [*Contractor Insurances*], in the joint names of the Company, the Contractor and its Sub-contractors (with the exception of 6.6(c)) and shall cause the insurers of underwriters thereof to waive their rights of subrogation against the Company's Parties:

(a) Contractor's Equipment

Contractor's Equipment insurance for not less than the full replacement value, including delivery to the Works Site. For each item of Contractor's Plant and equipment, the insurance shall be effective while it is being transported to the Works Site and until it is no longer required as Contractor's equipment. The insurance shall cover all risks of loss, destruction or damage to the Contractor's equipment.

(b) Automobile Liability Insurance

Automobile Liability insurance covering owned, non-owned, and hired motor vehicles as prescribed by Laws, but with limits of at least the equivalent of ten million Saudi Riyals (10,000,000 SR) for personal injury, death, or property damage resulting from each occurrence.

(c) Worker's Compensation Insurance

Worker's Compensation Insurance that covers work related injuries or death to be covered as required by law under Government Organization for Social Insurance (GOSI) for which the Contractor and/or Subcontractor(s) are responsible.

(d) Contractor's Liability Insurance

Contractor's Liability Insurance to cover any liability of Contractor or its Subcontractor(s) to its employees arising out of the execution of the Works to a minimum limit of [four million US Dollars (US\$4,000,000)] per accident and, for bodily injury by disease, [four million US Dollars (US\$4,000,000)]. Nothing contained herein shall limit or waive the Contractor's legal or contractual responsibilities to the Company or others.

(e) Professional Indemnity Insurance

Professional indemnity insurance in an amount of not less than [ten million U.S. Dollars (US\$10,000,000)] for any one occurrence or series of occurrences arising out of any one event, unlimited as to the number of occurrence or series of occurrences, valid from the effective date until not earlier than the expiry of five (5) years after the issuance of the Acceptance of Work Certificate.

6.7. Insurers to be Retained

Insurances arranged in accordance with this Clause 6 shall be effected in compliance with Saudi Arabian laws and issued by insurance companies licensed by the Saudi Arabian Monetary Agency (SAMA), but the Company may in its sole discretion accept insurance policies from other competent insurance companies provided that such policies meet all other requirements mentioned in this Clause.

6.8. Provision of Policies

Copies of policies / certificate(s) in respect of Contractor's and/or Sub-Contractor's insurance shall be supplied to the Company by Contractor within thirty (30) days of the effective date of this Contract or commencement of any activity on the Site, whichever is earlier. The Company's approval of, or non-objection to, Contractor's insurance certificates or policies shall not relieve the Contractor of any obligation or liability under this Contract.

6.9. Remedy for failure to Insure

If the Contractor fails to effect or keep in force the insurance which he may be required to effect under the terms of Sub-Clause 6.6, then the Company may (but is not obliged to) effect and keep in force any such insurance and pay the premium as may be necessary for that purpose and from time to time deduct the amount so paid by the Company in respect of such premium from any money due or which may become due to Contractor or recover the same as a debt due from Contractor.

6.10 Compliance with Law and Regulations Generally

- (a) The Contractor shall, at its own expense, be responsible for obtaining any necessary licenses, permits and registrations, and shall be subject to any applicable laws, regulations and rules of the Kingdom of Saudi Arabia.
- (b) The Contractor shall be subject to the provisions of any such laws, regulations and rules as aforesaid in regard to the provision of the services and shall indemnify the Company, its servants and agents against all penalties and liability of any kind as a result of the breach of any such laws, regulations or rules.

7. MATERIALS

7.1. It is contemplated that most or all Materials will be supplied by the Company. The Contractor shall only supply Materials if specified in the Contract or as requested in writing by the Company Representative.

7.2. Free Issue Materials:

- (a) Unless otherwise agreed by the Company Representative, the Contractor shall be responsible for off-loading all Materials and all handling and transportation that may

- be necessary for the Work, including collection from the Company's stores in case Materials are supplied by the Company.
- (b) The Contractor shall keep all Free Issue Materials in good order and condition and shall use Free Issue Materials solely in connection with the Contract.
 - (c) Any surplus Free Issue Materials shall be returned to the Company and/or be disposed of at the Company's discretion.
 - (d) Any Free Issue Materials damaged due to bad workmanship or the fault of the Contractor shall be repaired at the Contractor's expense.
 - (e) Without prejudice to any other of the rights of the Company, the Contractor shall deliver the Free Issue Materials, whether further worked on or not to the Company on demand.
- 7.3.** With the exception of Free Issue Materials, the Materials supplied by the Contractor shall be suitable for their purpose for which they are supplied including any purpose specified in the Contract, or which the Company has advised the Contractor they will be used for, and of the best quality, or otherwise of the quality approved by the Company Representative. The Materials will be free from defects in design, material and workmanship; correspond in every respect with any specifications, drawings, samples or descriptions provided by the Company; comply with all statutory requirements and regulations relating to Materials; and comply with all relevant laws, ministerial decisions, statutory instruments, orders, regulations, bye-laws or any other enactments. Except as directed by the Company Representative, they shall conform to the relevant Saudi Arabian standards, or in the absence of any such standards, to the relevant British Standard Specifications or the relevant International Standard specifications approved by Company.
- 7.4.** Materials supplied by the Contractor and samples of such materials shall, if required by the Company Representative, be submitted to him at the Contractor's expense before they are delivered to the site. The Company Representative may at any time carry out tests and inspections of any materials and may reject any materials if in his opinion they are unsuitable. The Contractor shall, if so required by the Company Representative, arrange for the inspection and testing of Materials by or on behalf of the Company Representative at any supplier's Works or Site. The Contractor shall be responsible for the cost of tests where the Materials under testing have been found to be unsatisfactory, or where tests have been specified in the Contract.
- 7.5.** Materials Life Cycle: if applicable and unless specified otherwise by the Company and / or provided for in Schedule II, all Materials and/or part of the Materials supplied under this Contract shall have a material life cycle of a minimum of fifteen (15) years from the date of this Contract and the Contractor shall during the said material life cycle period provide support for the Material and/or part of the Materials which were supplied under this Contract.
- 7.6.** The Contractor shall at its own expense remove from the Site any Materials supplied which the Company Representative considers unsuitable or is in excess of what is

- required for present use. The Contractor shall return to the Company's stores or workshops all Materials surplus to the Contract requirement which were supplied by the Company.
- 7.7.** The Contractor shall be responsible for securing an adequate storage and protection of all Materials on the Site and shall be responsible for replacement of any Material deficiencies caused by inadequate storage or security.
- 7.8.** The Contractor shall arrange for, or co-operate in the arrangement of, deliveries of Materials to or on the Site with due regard to efficient, continuous and economical working.
- 7.9.** Plant and Materials on Site: All Plant, Materials owned by the Contractor, Sub-Contractors, or by any firm or corporation in which the Contractor has a controlling interest or with which Contractor has a contractual relationship, shall when brought upon the Site, be used solely for the purpose of the Work. Such Plant, Material shall not be removed from the Site, whether or not a Notice of termination has been issued, without the written consent of the Company Representative. The Contractor shall ensure that any Contract entered into by it with a Sub-contractor, including a nominated Sub-contractor, provides for the title in Materials supplied by such Sub-contractor to vest in the Contractor when those Materials are delivered to the site.
- 7.10.** Contamination of Stainless Steel Products for Materials Supplied or Procured by Contractor: The Contractor must certify and/ or submit a certificate from the respective manufacturer that the supplied or procured stainless steel materials and/or materials containing stainless steel, if any, under the Contract are free from radioactive contamination.

8. CONTRACT PRICE

- 8.1.** In consideration of the performance of the Contract the Company shall pay or cause to be paid to the Contractor at the times and in the manner set out in Clause 8 [*Contract Price*] the amounts certified in accordance with the Pricing Schedule.
- 8.2.** The Contract Price shall be deemed to be fully inclusive of any and all payments due to workers or other personnel employed by the Contractor or any Sub-Contractor, including, without limitation, basic salary or rates, travelling costs, subsistence allowance, holidays, or other leave with pay and expenses bonuses, lodging or housing allowance, insurance, incentive and completion bonuses, condition moneys, skill payments, guaranteed time, non-productive time, protective clothing, social insurance and/or other taxes, other benefits, and any payments or allowances required under any applicable law, rule or regulation.
- 8.3.** All amounts stated in this Contract are amounts free of any tax, including any tax in the nature of a goods and services tax, value added tax or the like. The Contractor shall be responsible for the payment of all taxes, zakat, duties, charges or premiums assessed against its operations or employees for which the Contractor is liable by operation of law or contract, domestic or foreign, including but not limited to income taxes, sales and use

taxes, gross business taxes, custom duties and any payments due under applicable unemployment compensation laws or workmen's compensation laws. The Contractor shall release, defend and hold harmless the Company from any claim, demand, action, liability, cost or expense of any nature or kind (including attorneys' fees or costs of settlement) resulting from the Contractor's failure to comply fully with the requirements of such laws or contracts.

- 8.4.** The Contractor represents and warrants to the Company that it has not included in the Contract Price an allowance for payment of any tax or duty from which the Contractor is exempt under the laws, rules or regulations of the Kingdom of Saudi Arabia.
- 8.5.** The Contractor must collect and to remit to the appropriate authorities of the Kingdom of Saudi Arabia any social insurance premium due and payable with respect to those employees of the Contractor who are engaged in the delivery of Services hereunder. The Contractor must indemnify and hold the Company harmless for all costs, claims, liabilities or expenses (including attorneys' fees) of any kind whatsoever arising out of or in connection with Contractor's failure to collect and remit such premiums.
- 8.6.** The Contractor must defend, indemnify, release and hold harmless the Company from and against any and all claims, suits, costs, liabilities, judgements, fines, penalties or demands for loss or damage including any and all expenses, disbursements, cost, legal fees, sums and amounts as may be incurred in the investigation handling and defence thereof, resulting from, or in any way connected with, any tax assessment or imposition, in respect of the taxes and contributions referred to in Clauses 8.3 and 8.5 above, both on its own behalf and on behalf of any such Sub-Contractor.
- 8.7.** Except where express provision is made to the contrary, any consideration payable under any other Clause in this Contract is exclusive of any value added tax or goods and services tax or the like ("VAT"). When VAT is imposed on any supply made under this Contract by any party ("supplier") to another party ("recipient"), the supplier may recover from the recipient an amount calculated in Saudi Riyals by multiplying the prevailing VAT rate by the value of that VAT exclusive consideration, in addition to any VAT exclusive consideration in respect of the supply paid or payable by the recipient under any other clause in this Contract. Any amount recoverable from the recipient under this Clause shall be calculated without any deduction or set-off of any other amount. Any amount recoverable under this Clause is payable by the recipient upon demand by the supplier provided always that the supplier will issue a tax invoice to the recipient prior to the payment becoming due. If it is determined, on reasonable grounds, that the amount of VAT paid or payable by the supplier to the Department of Zakat and Income Tax on any supply made under this Contract differs for any reason from the amount of VAT recovered or recoverable from the recipient in respect of that supply, that latter amount shall be adjusted accordingly.
- 8.8.** If applicable and in accordance with the laws in the Kingdom of Saudi Arabia, the Contractor from countries with tax treaties with the Kingdom of Saudi Arabia shall be required to provide SASREF on an annual basis with the following:

- (a) Duly filled up form Q7B – Application for Implementation of Effective Tax Treaties by both suppliers and their country's Tax Authorities, with official seal from their Tax Authority and attested by Saudi embassy in their country,
- (b) A copy of Tax Residence certificate endorsed by their country's Tax Authorities. and attested by Saudi embassy in their country,
- (c) Both the above documents should be valid in order for the respective invoice to be processed by SASREF. In the event the Contractor fails to provide the above said documentations to SASREF, the withholding tax amount shall be borne by the Contractor and shall be deducted directly from payments by SASREF to the Contractor.

9. PAYMENT

9.1. The Contractor shall render to the Company within fourteen(14) days of the last day of each calendar month in which the Services were performed under the Contract an invoice submitted through the Company's Supplier Portal according to such amount(s) as is/are justified in accordance with the Pricing Schedule. The Contractor shall follow the Company's "Purchase Order Confirmation & Invoice Creation Work Instructions" as provided in the Company Supplier Portal.

9.2. The amount(s) of the invoice shall be in such detail as requested by the Company and shall, in every case, show separately the individual amounts in respect of each of the categories contained within the Pricing Schedule.

9.3. Each invoice shall include the Contract reference number and title, and shall have all required supporting information attached. The invoice shall be submitted through the Company's Supplier Portal; otherwise delays in payment are likely to occur. ,

9.4. Payment instructions

- (a) Forty five days (45) after the date of receipt by the Contractor's invoice through the Company's Supplier Portal of a correctly prepared and properly supported invoice the Company will pay the Contractor the amount invoiced into a nominated bank account of the Contractor. Such payment by the Company shall not be construed as acceptance of any part of the Work.
- (b) The Contractor's invoices must have the following:
 - i. The invoice must bear the correct and complete SASREF Company Name i.e. Saudi Aramco Jubail Refinery Company
 - ii. Contract/ contract variation order number
 - iii. Purchase Order number
 - iv. Delivery note & bill of landing for imported goods
 - v. Signed and stamped (by SASREF) service acceptance.
 - vi. If VAT is applicable the Contractor's invoice must comply with all Kingdom of Saudi Arabia legal requirements and the Contractor's invoice must state amongst others:-
 - (1) Invoice language shall be in Arabic and English

- (2) Contract Number.
- (3) Invoice Number.
- (4) Contractor Registration VAT Number.
- (5) In a separate line the percentage of VAT
- (6) In a separate line the value of VAT in Saudi Riyals
- (7) Date of supply

(c) The Contractor acknowledges that in the event any of the above requirements are not done in the Company's Supplier Portal, this shall delay the payment process by the Company.

9.5. In the event of the Company disputing any item(s) of any invoice submitted by the Contractor, neither the Company nor the Contractor shall make any adjustment or alteration to the originally submitted invoice or its supporting documentation. The following procedure shall be implemented in such disputes:

- (a) The Company shall within thirty (30) days of the submittal date of the invoice through the Company's Supplier Portal notify the Contractor of the items in dispute; and
- (b) A Credit/Debit Note to adjust the invoiced cost will be requested by the Company and shall be submitted promptly by the Contractor.
- (c) Where disputes cannot be immediately resolved, the Company will instruct the Contractor to submit a Credit/Debit Note against the disputed item(s) and issue a separate invoice for the amount in dispute. On this basis the accepted portion of the invoice may be paid whilst the disputed items are reviewed.

9.6. Disputed invoices or item(s) per invoice shall be negotiated for settlement by the Company Representative, the Contractor Representative and a member of the Company's Finance Department. Upon reaching a mutually acceptable settlement the Contractor shall submit a further invoice for the agreed sum which shall be endorsed by the above parties to the negotiations and payment to the Contractor shall be duly authorised in accordance with 9.3 & 9.4 of this Payment Clause.

9.7. All Invoices shall be submitted in Saudi Arabian Riyals, unless otherwise agreed in Pricing Schedule.

9.8. The Contractor's invoice in respect of the final month, or part month, of the Contract period shall be identified as such by the Contractor and shall be rendered within fourteen (14) days of the last day of the calendar month following the month of expiry of the Contract period. Accompanying such invoice shall be a list of all items which are legitimate charges under the terms of the Contract but which have not at the date of issue of the invoice been claimed. This list shall contain provisional estimates of unknown charges against each item and thereafter only items which are directly recognisable as to nature and amount on the final list shall be considered reimbursement by the Company and, then only on presentation by the Contractor of its final invoice along with required supporting information.

9.9. In so far as the Contract or any part thereof is cost reimbursable, the Contract Price shall constitute the only income of the Contractor in connection with this Contract which inter

alia implies that it shall not accept any trade commission, discount allowance or indirect payment or other consideration in connection with the Contract, without notifying, and accounting for same to, the Company.

9.10. The Company reserves the right to deduct any money the Contractor shall be liable to pay to the Company from any sum which may become payable to the Contractor under this Contract. The exercise of such right shall not affect any other remedy by action at Law of otherwise to which the Company may be entitled for the recovery of such moneys.

9.11. Contractor must immediately notify the Company Representative orally when Contractor first anticipates standby time may occur, and shall confirm such notification in writing as soon as practicable. Compensation for standby time may be payable only for standby time for which Company has been notified. All requests for compensation for standby time must be substantiated by daily time sheets prepared by Contractor stating the reasons therefor and submitted to Company Representative for confirmation no later than the following scheduled work day. Verified standby time may be paid for by Company only if falling on a scheduled work day. Company reserves the right to reject any request for compensation for standby time.

9.12. Accounting of Costs and Audit Rights

The Contractor and its affiliated companies shall maintain, and shall cause their subcontractors to maintain, in accordance with such accounting procedures and practices as are satisfactory to the Company, books, records, correspondence, instructions, plans, drawings, receipts, vouchers and memoranda and other evidence sufficient to accurately and properly reflect all allowable costs incurred in the performance of the work. The foregoing constitute 'records' for the purpose of this paragraph. The Company, or its internal auditors or any firm of auditors appointed by the Company, shall have access, at all reasonable times, to all of Contractor's, its affiliated companies' and its sub-contractors' records for the purpose of auditing and verifying costs of the Work or for any other purposes the Company considers reasonable in its sole discretion. The Company, or the Company's duly authorized representatives, shall have the right to reproduce any such records and to retain copies thereof. The Contractor must, and must cause Contractor's affiliated companies and sub-contractors, to preserve and make available all such records during the term of this Contract and for a period of two (2) years after completion of this Contract. The period of retention, access and examination described in this paragraph for records which relate to costs and expenses incurred under part of the Work to which exception has been taken by the Company, or which relate to arbitration, litigation or the settlement of claims arising out of the performance of the Work, shall continue until final disposition of such exceptions, arbitration, litigation or claims. Contractor must include in all subcontracts executed for portions of the Work hereunder, a provision to the effect that the subcontractor agrees to observe and comply with all obligations to the Company under this paragraph in the same manner and to the same extent as Contractor.

9.13. Retention Money

The applicable percentage of deductions for retention shall be ten percent (10%). The total amount of the Retention Money shall not exceed ten percent (10) of the Contract Price as adjusted pursuant to the Contract.

9.14. Payment of Retention Money

The Company shall pay one half of the Retention Money to the Contractor when:

- (a) the Acceptance of Work Certificate has been issued for the Works as a whole;
- (b) the Contractor has provided to the Company a copy of a clearance certificate issued by the General Authority of Zakat and Tax in Saudi Arabia (GAZT) to the Contractor valid as of the date of the last payment to the Contractor under the Contract which confirms that all applicable Zakat and company income tax obligations have been paid by the Contractor; and
- (c) the Contractor has provided to the Company a copy of a certificate from the General Organization for Social Insurance (GOSI) evidencing that the Contractor is registered with such organization and has fulfilled all its obligations towards GOSI.

Promptly after the latest of the expiry dates of the Defects Notification Periods, the outstanding balance of the Retention Money shall be paid to the Contractor. However, if any Work or corrective works remains to be executed, the Company shall be entitled to withhold the estimated cost of this work until it has been completed.

10. SUPPLIER PORTAL

10.1 Through a user-friendly web-based platform accessible on its website, the Company makes business information available to prospective Contractor and provide registered Contractors with means of secured on-line business communications. Registered Contractors who use the Supplier will be issued with a unique secret password, enabling them to interact on-line with the Company and to perform a business activity or complete a transaction through the use of electronic transmission. For the avoidance of any doubts, the Company may change its Supplier Portal to another portal and/or web-based platform solution; and in such case the Company shall notify the Contractor within reasonable notice.

10.2 The Company shall, in accordance with and in compliance of the Saudi Electronic Transactions Law (Royal Decree Number 18/M dated (H) 1428/3/8 corresponding to 27/3/2007 and Royal Decree No. M/57 Dated 01/08/1436H corresponding to 19/05/2015 and as maybe amended by law) capture and retain accurate electronic records of all such business communications received, together with the identity of Contractor and the exact time of receipt ("Business Documents").

11. ENVIRONMENT

- 11.1.** Contractor shall use its best efforts to prevent and take all reasonable precautions to avoid pollution or contamination of the land, air or water arising out of Contractor's or its Subcontractors' performance of the Work. Should there be a discharge or escape of any appreciable quantity of pollutants or contaminants during the performance of the Work, Contractor shall immediately notify the Company so that the Company may take the necessary action to contain, control, recover or disperse the substance. Contractor shall lend every reasonable assistance to the Company in handling, controlling or cleaning up such pollutants or contaminants.
- 11.2.** Contractor assumes all liability for and shall defend, indemnify, and hold Company harmless from expenses incurred in the control and removal of any and all pollution or contamination of the land, air or water arising from spills or discharges of all solid, liquid and gaseous wastes, including but not limited to asbestos, polychlorinated biphenyls (PCB), chemicals, fuels, lubricants, motor oils, pipe dope, paints, solvents, bilge, garbage and other like materials wholly in Contractor's or its subcontractors' possession and control and directly associated with Contractor's or any subcontractors' equipment and facilities. Contractor shall defend, indemnify, and hold Company harmless from all claims, losses, expenses or damages in connection with such pollution or contamination.

12. CONFIDENTIALITY & CYBER SECURITY COMPLIANCE

- 12.1.** All technical data, standards, specifications and any information and documents furnished by the Company for use by the Contractor, are confidential information and shall continue to be the property of the Company and shall not be reproduced or copied in whole or in part, except as required in connection with Work hereunder, nor used in conjunction with work for any other client of the Contractor and shall be returned upon completion of or termination of this Contract.
- 12.2.** Neither the Contractor, its employees, servants or agents shall divulge any confidential information obtained from or during the course of the services to be performed hereunder to anyone, except to the Company or persons designated by the Company, so long as and to the extent that the same has not become part of the public domain, does not correspond to that furnished or made known to the Contractor by third parties as a matter of right and without restriction on disclosure, or was not in the Contractor's lawful possession at the time of disclosure by the Company.
- 12.3.** Contractor, whenever required by the Company, shall abide by the conditions of the 'Confidential Information and Invention Agreement'.
- 12.4.** The Contractor and Sub-Contractor shall not upload or post on the Internet (including any public or private portal) any data, documents, this Contract and Schedules, drawings, blueprints and plans that are produced by the Company, Contractor, Sub-Contractor or/and third party prior to obtain the Company written approval. In addition, the Contractor and Sub-Contractor shall comply with the Company's Information Security

Policy for Supplier Relationship and also comply with the information security standards in cyber security in accordance with by the laws and regulations in the Kingdom of Saudi Arabia.

- 12.5.** The Contractor and/or Sub-contractor shall take necessary precautions and install high-efficiency cyber security infrastructures and computer programs to protect all Company's data including commercial, non-commercial, engineering, technical and non-technical information, documents, this Contract and Schedules, drawings, blueprints and plans. The Contractor and/or Sub-contractor shall take full responsibility for any leakage of any confidential information, for example but not limited to all Company data including commercial, non-commercial, technical and non-technical information, documents, Contract Schedules, drawings, blueprints and plans.
- 12.6.** The Contractor and/or Sub-contractor shall completely and immediately comply with the Laws, regulations, royal decrees and instructions that are related to the Kingdom of Saudi Arabia cyber security.
- 12.7.** The obligation to protect confidential information, Company data including commercial, non-commercial, technical and non-technical information, documents, drawings, blueprints and plans shall continue notwithstanding the termination of this Contract. Upon expiration or termination of this Contract, the provisions of this Clause 12 shall survive and remain in full force.

13. SUSPENSION OF THE WORKS BY THE COMPANY

- 13.1.** The Company's Representative may at any time with immediate effect instruct the Contractor or Subcontractors to suspend progress of part or all of the Works and the Contractor shall comply with such instruction. During such suspension, the Contractor shall protect, store and secure such part or the Works against any deterioration, loss or damage.
- 13.2.** The Company's Representative may also notify the cause for the suspension. If and to the extent that the cause is notified and is the responsibility of the Contractor or Subcontractor (as for example, where the cause of the suspension is because of Contractor's faulty design, engineering, Work or Materials or failure to protect, store and secure its work), the following Sub-Clauses 13.3 & 13.4 shall not apply. In such event, the Contractor shall not be entitled to an extension of time for, or to payment of the Cost incurred in, making good the consequences of the Contractor's faulty workmanship or Materials, or of the Contractor's failure to protect, store or secure or for otherwise remedying a cause of suspension which is the Contractor's responsibility.

13.3. Consequences of Suspension

To the extent that the Contractor suffers delay and/or incurs Cost from complying with the Company's suspension instructions under this Clause [*Suspension of Work by the*

Company] and/or from resuming the carrying out of the Works, the Contractor shall give Notice to the Company's Representative. After the Company's Representative has received this Notice, the Company shall proceed in accordance with Sub-Clause 3.5 [*Determinations*] to agree or determine these matters.

The Contractor shall not be entitled to an extension of time for, or to payment of the Cost incurred in, making good the consequences of the Contractor's faulty design, engineering, workmanship or Materials, or of the Contractor's failure to protect, store or secure in accordance with Clause 12 [*Suspension of Work*].

13.4. Prolonged Suspension

If the suspension under this Clause has continued for more than one hundred and twenty (120) Days, the Contractor may request the Company's permission to proceed. If the Company (directly or through the Company's Representative) does not give permission within Thirty (30) Days after being requested to do so, the Contractor may, by giving Notice to the Company's Representative treat the suspension as an omission under Clause 5 [*Variation Orders*] of the affected part of the Works.

13.5. Resumption of Work

After the permission or instruction to proceed is given, the parties shall jointly examine the Works and the Plant and Materials affected by the suspension. The Contractor shall make good any deterioration or defect in or loss of the Works or Plant or Materials, which has occurred during the suspension.

14. TERMINATION

14.1. The Contract may be terminated in the following circumstances without prejudice to any other right:

- (a) If the Contractor abandons the Contract, or without reasonable cause fails to commence the execution of the Contract within 14 days, or suspends the execution of the Contract for more than 10 days after the permission to proceed is given in accordance to sub-clause 13.5 [*Resumption of Work*], the Company has the right to terminate the Contract forthwith without the need for Notice to the Contractor or court order.
- (b) If either Party is in breach of any term of the Contract, then the party not in breach may request in writing that the other party rectifies the breach within thirty (30) days. If the party in breach does not so rectify the breach within thirty (30) days then the party not in breach may terminate the contract by thirty (30) days notice in writing without need for a court order.
- (c) If the Contractor becomes bankrupt or has an order for preventative composition, receivership or attachment of assets made against him, or presents his petition in bankruptcy, or makes an arrangement or assignment in favour of his creditors or agrees to carry out the contract under a committee of inspection, or goes into

liquidation (other than voluntary liquidation for the purposes of amalgamation or reconstruction), or has execution levied on his goods, the Company may, without prejudice to any other rights available to it, by Notice in writing to the Contractor forthwith terminate the Contract without need for a court order.

- (d) If the Contractor or its employees, servants or agents shall commit any fraud on the Company, or any malpractice or dishonesty, or any conduct which in the opinion of the Company is prejudicial to the Company or the Company's interest, then the Company may by Notice in writing to the Contractor forthwith terminate the Contract without need for a court order.
- (e) The Company may in its sole discretion terminate the Contract or any part of the Work without giving any reason, by giving the other party Sixty (60) day Notice specifying the extent and effective date of the termination ("Termination Date") in writing.

14.2. In the event of termination and on the date on which termination under clause 14.1(a), (b), (c) or (d) becomes effective, the Contractor must cease performance of the terminated Work. The Company shall then be entitled to complete the Work itself or through others and shall be entitled to retain all amounts that are due and owing to the Contractor under this or any other contract between the parties until the loss and damage to the Company resulting from the Contractor's breach of contract, including its reasonable costs of completing the terminated Work, have been determined. In the event of this sub-clause being brought into operation, the Company has the right to charge the Contractor the cost of completing based on market price and cost or based on Contract Price, whichever is greater. If the Company's cost of completing the Work is greater than the compensation it would have paid Contractor for completing such Work pursuant to this Contract then Company may deduct the difference from the retained amounts and if the difference exceeds the retained amounts, the Contractor must pay to the Company that difference less the retained amounts.

14.3. In the event of such termination, the Contractor shall assign to the Company, or its nominee, to the extent required by the Company, the benefit of all Sub-Contracts and other obligations, materials, rights and titles. The Contractor will terminate those Sub-Contracts and other Obligations not assigned to the Company.

14.4. When notified of termination under this Clause, the Contractor shall either immediately or upon such other date as is specified in the Notice:

- (a) Discontinue its performance of the Service and Work other than such part of the Work or Service as the Company may instruct for the purpose of protecting, making safe or tidying up such parts of the Service as may already have been executed or may be in the course of execution;
- (b) Enable the Company or its nominee, to take over the Service or Work so far completed;
- (c) Remove from the Site all Plant, vehicles and equipment owned by the Contractor and all its employees, servants and agents and all their and sub-Contractor's property; and
- (d) Deliver to the Company, or its nominee, all technical information, schedules and all other data prepared by the Contractor or any Sub-Contractor in connection with the

Services and all documents and other data supplied to the Contractor by or on behalf of the Company in connection with the Services and all copies thereof in its possession.

- (e) The Company shall then enforce the Terms and Conditions of the Performance Bond (Letter of Guarantee)

15. DAMAGE AND INJURIES

15. The Contractor waives all right against the Company and must indemnify and hold harmless the Company from and against any and all claims, suits, costs, liabilities, judgments, fines, penalties or demands in respect of:

- (a) the death or illness of, or injury to, any of the personnel of the Contractor's Parties irrespective of the cause of such death, illness or injury including without limitation the negligence of any of the Company's Parties or any of their respective agents or employees; and
- (b) damage to or loss of the Contractor's Parties owned, hired or leased equipment, vessels and craft of all sorts, or the property of the personnel of the Contractor's Parties including loss of use thereof, arising out of or in relation to the performance of this Contract howsoever caused, including, without limitation, the negligence of any of the Company or any of their respective agents or employees.

15.1. The Contractor must, if required by the Company, sign a waiver of recourse agreement between contractors. The Company shall also endeavour to procure that all its other contractors and subcontractors participating in operations at, or adjacent to, the Site shall sign a like waiver of recourse agreement.

15.2. Except to the extent of any Gross Negligence or Wilful Misconduct of the Contractor's Parties, the Company waives all rights against the Contractor and shall indemnify and hold harmless the Contractor's Parties from and against all liabilities or judgments in respect of;

- (a) the death or illness of, or injury to any personnel of the Company irrespective of the cause of such death, illness or injury including without limitation the negligence of any of the Contractor's Parties or any of their respective agents or employees; and
- (b) damage to or loss of the property of the Company including loss of use thereof howsoever caused including without limitation the negligence of any of the Contractor's Parties or any of their respective agents or employees.

Provided always that in addition to the foregoing in this Sub-Clause 15.3 the Contractor shall be liable in any case of faulty design, workmanship or material of the Contractor, for the cost incurred for rectifying such design or workmanship including replacing the defective part(s).

This waiver, indemnity and hold harmless undertaking shall not be interpreted as limiting the Contractor's other responsibilities, obligations or liabilities to perform the Works as specified under the Contract.

15.3. The Contractor agrees to hold harmless and indemnify the Company's Parties, their respective agents and the employees of each and every one of the foregoing, from and against any and all claims, suits, costs, liabilities, judgments, fines, penalties or demands in respect of damage to or loss of Third Party property and injury to or death of any Third Party, to the extent caused by any of Contractor's Parties or any of their respective agents or employees and arising out of or in relation to the performance of this Contract and which could or would give rise to liability at law.

15.4. Limitation of Liability

The Contractor's maximum aggregate liability to the Company arising from any of Contractor's liabilities under this Contract including liquidated damages payable pursuant to this Contract and any Clause other than those stated below in this Sub-Clause 15.5 shall be limited to 100% of the Contract Price or US Dollar 1,000,000 (One Million), whichever is greater. The foregoing limitation of liability shall not apply to or be reduced by:

- (a) Payments made by the Contractor to the extent of amounts received by the Contractor pursuant to insurance policies required to be effected and maintained in accordance with Sub-Clause 6.6 or payments received by the Contractor under such insurance policies;
- (b) The Contractor's liability in case of fraud, misrepresentation, Gross Negligence, Wilful Misconduct or any corrupt practice;
- (c) The Contractor's primary performance obligations where such obligations arise before Provisional Acceptance of the Works; and
- (d) Any breach of confidentiality obligations set out in Clause 12 [*Confidentiality*]

16. PERFORMANCE SECURITY

16.1. If required by the Company, the Contractor must, at its own cost, provide performance security in the form of a parent company guarantee in respect of all of the Contractor's obligations under this Contract from the ultimate holding company of the Contractor in a form acceptable to the Company.

16.2. If, in the Company's opinion, the Contractor has defaulted in any of its obligations hereunder, then without prejudice to any other remedy available to it, the Company may in its sole discretion exercise its rights under the Performance Bond. Prior to exercising such rights the Company shall advise the Contractor in writing, stating the nature of the default in respect of which the claim is made. Any such claim shall be without prejudice to the Company's other rights under this Contract.

17. PROVISIONAL ACCEPTANCE CERTIFICATE

- 17.1.** In respect of Clause 18 [*Acceptance of Work Certificate*] the Contractor shall apply to the Company for a Provisional Acceptance Certificate when Contractor considers the Works or any agreed portion of them are complete in conformity with the Contract. On receipt of Contractor's application, the Company shall either issue a Provisional Acceptance Certificate or notify the Contractor in writing within ten (10) Business Days of any deficiencies.
- 17.2.** In the event of such deficiencies, the Contractor shall re-perform, re-install, re-operate or replace all necessary Work or Services, all at the Contractor's cost, and shall again apply to the Company for a Provisional Acceptance Certificate. This procedure shall be repeated until such time as the Works or the agreed portion thereof are completed in conformity with the Contract and with Company's Representative, whereupon the Company shall issue a Provisional Acceptance Certificate.
- 17.3.** The issue of a Provisional Acceptance Certificate shall not necessarily signify that the Works or the agreed portion thereof are complete in every respect in conformity with the Contract.
- 17.4.** From the effective date of the Provisional Acceptance Certificate the Company shall be deemed to have assumed responsibility for the Works or the agreed portion thereof without limiting Contractor's other obligations under this Contract.
- 17.5.** Once the Provisional Acceptance Certificate has been signed by the Contractor and the Company, the Contractor shall give the original copy of the said certificate to Company's Contracting Department (MCT).

18. ACCEPTANCE OF WORK CERTIFICATE

- 18.1.** Performance of the Contractor's obligations in any nature shall not be considered to have been completed until the Company has issued the Acceptance of Work Certificate to the Contractor, stating the date on which the Contractor completed his obligations under the Contract and including all Provisional Acceptance Certificates issued to the Contractor, if applicable.
- 18.2.** On receipt of Contractor's application, the Company shall either issue an Acceptance of Work Certificate or notify the Contractor in writing within ten (10) Business Days of any deficiencies.
- 18.3.** In the event of such deficiencies, the Contractor shall re-perform, re-install, re-operate or replace all necessary Work or Services and shall again apply to the Company for an Acceptance of Work Certificate. This procedure shall be repeated until such time as the Works or the agreed portion thereof are completed in conformity with the Contract and with Company's Representative, whereupon the Company shall issue an Acceptance of Work Certificate.
- 18.4.** Contractor shall complete all outstanding Work as required by the Company and in any case prior to Contractor applying to the Company for a Defects Liability Certificate.

18.5. Only the Acceptance of Work Certificate shall be deemed to constitute acceptance of the Works and Services.

18.6. Once the Acceptance of Work Certificate signed by the Contractor and the Company, the Contractor shall give the original copy of the said certificate to Company's Contracting Department (MCT).

19. CONTRACTOR FINAL CLEARANCE & CONTRACT CLOSE OUT CERTIFICATE

19.1. The Contractor, after receives a "Contractor Final Clearance and Contract Close Out Certificate" from the Company, should submit it to Security Department (ISS) to obtain their approval signature, verifying compliance with ISS requirements necessary for the Contractor's final clearance from the Site.

19.2. Once the "Contractor Final Clearance and Contract Close Out Certificate" signed by the Contractor and the Company, the Contractor shall give the original copy of the said certificate to Company's Contracting Department (MCT).

20. REMEDY OF DEFECTS

20.1. If at any time during the Defects Liability Period the Company, in respect of the Works or a portion thereof:

- (a) decides that any Work performed or Materials supplied or used by the Contractor or its Sub-contractors is defective or not in accordance with the Contract, or that the Works or any portion thereof are defective or do not fulfil the requirements of the Contract (all such matters being "Defects");
- (b) as soon as reasonably practicable afterwards gives to the Contractor Notice in writing of the abovementioned decision specifying particulars of the Defects and where the same exist or have occurred; and
- (c) so far as may be necessary gives the Contractor access to the location(s) of the Defects; then the Contractor must thereafter within 15 days make good the Defects so specified. If Contractor fails to do so, the Company shall have the right at the cost of the Contractor to take such steps as may in all the circumstances be required to make good such Defects, and the Contractor shall remove all Materials that the Company may have replaced, all at the Contractor's cost.

20.2. During the Defects Liability Period in respect of the Works or a portion thereof, the Contractor shall be responsible for making good with all possible speed any Defect arising from its defective design, Materials or workmanship or from any act or omission of Contractor that may develop or become apparent within the Defects Liability Period.

20.3. If any such Defect shall occur the Company shall notify the Contractor in writing stating the nature of the Defect. If the Contractor replaces or renews any portion of the Works the provisions of this Clause shall apply to the portion of the Works so replaced or renewed as if

an Acceptance of Work Certificate had been issued on the date of such replacement or renewal.

- 20.4.** If the Contractor fails to remedy any such Defects within the agreed time period, the Company shall have the right to make good such Defects either itself or by engaging another contractor to remedy the Defects and where any costs arise due to the default of the Contractor all such costs shall be charged to or recovered from the Contractor, without prejudice to any other rights of the Company in respect of the Contractor's failure to remedy the Defects.

21. DEFECTS LIABILITY CERTIFICATE

- 21.1.** The Contractor may apply to the Company for a Defects Liability Certificate when the Contractor has ceased to be under any obligation under Clause 20 [*Remedy of Defects*], provided always that if by reason of the operation of sub-Clause 20.3 Contractor's obligations extend after the initially contemplated Defects Liability Period, then the Contractor may apply for a Defects Liability Certificate in respect of the Works other than the portions so replaced or renewed (and thereby subject to an extended Defects Liability Period). After the Contractor has ceased to be under any obligation under sub-Clause 20.3 in respect of the portions so replaced or renewed it may apply for a separate Defects Liability Certificate in respect of those portions.
- 21.2.** After Contractor's application, the Company shall issue a Defects Liability Certificate or shall notify the Contractor within ten (10) Business Days of the application of any deficiencies.
- 21.3.** In the event of such deficiencies, and without prejudice to any other right of the Company, the Contractor shall without undue delay correct any deficiencies and shall again apply for a Defects Liability Certificate. This procedure shall be repeated until such time as the Works or the agreed portion thereof are finally completed in conformity with the Contract, whereupon the Company shall issue a Defects Liability Certificate

22. LIQUIDATED DAMAGES

- 22.1.** In the event of a delay in executing the Works, hereunder, or a breach of any clause of this Contract which the Company, in its sole discretion, considers justifies the withdrawal of some or all of the Work hereunder from the Contractor, the Company shall have the right to receive from the Contractor the following liquidated damages:
- (a) Half percent (0.5%) of the total of the Contract Price for any day of the delay or breach during the first ten (10) Business Days as liquidated damages.
 - (b) One percent (1%) of the Contract Price for any day of delay or breach following the first ten (10) Business Days as liquidated damages, provided that the total liquidated damages imposed pursuant to paragraphs (a) and (b) hereof, shall not exceed ten percent (10%) of the Contract Price. Company shall have the right to deduct the value of the above mentioned liquidated damages from the amounts due to the Contractor, or resort to legal proceedings, in addition and without prejudice

to the Company's reserved right to terminate the Contract or have it executed by a third party for the Contractor's account, and in both cases, request compensation.

22.2. The Contractor shall be exempted from the liquidated damages under the following conditions:

- (a) In the event the delay or breach is due to Company's assigning the Contractor additional Work at a time that makes impossible its execution during the period specified in this Contract. In such a case, the term of the Contract must be extended in accordance with the two parties' mutual agreement and subject to Clause 5. [Variation Orders]
- (b) In the event the delay was due to force majeure (as defined in Clause 24 [*Force Majeure*])

23. PERFORMANCE BOND (Letter of Guarantee)

23.1. The Contractor shall obtain (at its own cost) a Performance Bond for proper performance in the amount of ten percent (10%) of the Contract Price. The Performance Bond shall be made according to the Company's prescribed template in the Appendix and shall be held by the Company against any default by the Contractor in the execution of its obligations under the Contract and during the Defects Liability Period.

23.2. Should the Contract Price increase or decrease at any time after the effective date mentioned in Memorandum of Agreement by an amount equal to or greater than 5% (five percent) of the initial Contract Price, the Contractor shall procure that the value of the Performance Bond shall be adjusted accordingly (or a replacement Performance Bond shall be issued to the Company in the adjusted amount) within Thirty (30) Days of such increase or decrease. If, following any such adjustment or reissuance of the Performance Bond, the Contract Price should increase or decrease by a further amount equal to or greater than 5% (five percent) of the Contract Price at the time of such adjustment or reissuance, the Contractor shall procure that the value of the Performance Bond shall be readjusted accordingly (or a replacement Performance Bond shall be issued to the Company in the adjusted amount) within Thirty (30) Days of such increase or decrease.

23.3. For the avoidance of doubt, failure by the Contractor to adjust or reissue the Performance Bond as required by this Sub-Clause shall constitute a breach of the Contract.

23.4. The Contractor shall deliver the Performance Bond to the Company's Representative within Thirty (30) Days after the date of the Contract and in any event prior to mobilization to do any Work. The Performance Bond shall be issued by an entity approved by the Company and from within the Kingdom and shall be in the form provided by the Company or in another form approved by the Company (which shall be in the form of a letter of guarantee from a Saudi Arabian bank approved by the Saudi Arabian Monetary Agency (SAMA)).

23.5. The Contractor shall ensure that the Performance Bond is valid and enforceable until the Contractor has executed and completed the Work and remedied all defects following the

expiry of the last Defects Liability Period. If the terms of the Performance Bond specify its expiry date, and the Contractor has not become entitled to receive the Defects Liability Certificate by the date thirty (30) days prior to the expiry date, the Contractor shall extend the validity of the Performance Bond until the Works have been completed and any defects have been remedied following the expiry of the last Defects Liability Period.

- 23.6.** The Company shall return the Performance Bond to the Contractor within Thirty (30) Days after all defects have been remedied in accordance with the Contract after issuing of Defects Liability Certificate.

24. FORCE MAJEURE

- 24.1.** Subject to this clause, neither party shall be liable for non-performance or late performance of any obligation under this Contract to the extent that the relevant party's performance of such obligation is prevented by an event of Force Majeure.

- 24.2.** For the purpose hereof "Force Majeure" shall mean an event or circumstance set out below occurring or continuing after the date of this Contract and which is beyond the reasonable control of the affected party, acting prudently and reasonably, and without the fault or negligence of the affected party, that directly prevents or delays the performance of such party's obligations under this Contract.

- 24.3.** The events of Force Majeure are: (a) weather or climactic condition, flood, fire, storm, sand storm, lightning, tsunami, cyclone, hurricane, typhoon, tornado, earthquake, epidemic or other natural disasters or acts of God resulting in a declaration of a state of emergency by the competent authorities; (b) acts of war or insurrection, such as declared or undeclared war, invasion, acts of foreign enemies, civil war, uprising, guerilla activity, riot, acts of terrorism, or any other hostilities; and (c) strikes or lockouts of widespread application and which are not localized to the Contractor and/or its personnel; but, for the avoidance of doubt, shall not include: (i) any inadequacy of funds or financing; (ii) any event to the extent that the event is caused or contributed to by an act or omission of the party relying on it or persons for whom that party is responsible (including, in the case of the Contractor, any of its personnel); (iii) government action, including the coming into effect, amendment of or enforcement of any laws, rules, regulations, directives or orders promulgated by any governmental authority or body having, or claiming to have, jurisdiction over the parties or the operations hereunder after the date of this Contract as well as government inaction, such as failure or delay in granting import licenses or other government permits or authorizations required to perform the activities contemplated hereby; or (iv) any weather or climactic condition, flood, fire, storm, sand storm, lightning, tsunami, cyclone, hurricane, typhoon, tornado, earthquake, epidemic or other natural disasters or acts of God that is foreseeable or expected, having regard to the location, or which otherwise does not result in a declaration of a state of emergency by the competent authorities;

- 24.4.** In the event that a party is unable to perform its obligations under this Contract due to a Force Majeure event, it shall, not later than five (5) Business Days after becoming aware

of such occurrence, notify the other party in writing of: (a) the full detail, nature and anticipated duration and effect of the Force Majeure event; (b) the effect of the Force Majeure event on that party's performance of its obligations under this Contract; and (c) the actions to be taken to mitigate the effects of such Force Majeure event, and the other party shall (acting reasonably) confirm as soon as practicable whether or not it approves or rejects such Notice.

- 24.5.** If either: (a) the affected party does not deliver a Notice in accordance with this clause; or (b) the other party to whom a notice is served in accordance with this clause has rejected such notice, then, subject to this clause, the affected party shall not be entitled to invoke the relief granted hereunder in respect of such Force Majeure event.
- 24.6.** If the affected party has delivered a Notice in accordance with this clause and either: (a) the other party has approved such Notice; or (b) the other party has rejected such Notice and it is subsequently determined pursuant by a final judgment of a competent court that such rejection was unreasonable, the affected party shall be entitled to the relief granted under this clause in respect of such Force Majeure event from the date on which it first served a Notice that complies with this clause.
- 24.7.** The party which is unable to perform its obligations under this Contract due to a Force Majeure event shall use its best efforts to mitigate the effect of such event on its performance under this Contract.
- 24.8.** Where the period of delay in the performance of a party's obligation under this Contract due to any Force Majeure event(s) exceeds three (3) consecutive months, the Company shall be entitled in its sole discretion to terminate immediately this Contract by giving written Notice to the Contractor.

25. WAIVER

Any failure on the part of the Company at any time, to enforce or require the strict adherence and performance of any of the terms or conditions of the Contract, shall not constitute a waiver of such terms or conditions and shall not affect or impair such terms or conditions in any way or the right of the Company at any time to avail itself of such remedies as it may have for any breach or breaches of such terms or conditions.

26. NOTICES

- 26.1.** Form of Notice: Any Notice and other communications required by the Contract between the parties must be in writing.
- 26.2.** Method of Notice: A notice or other communication under this Contract will be deemed to have been received as follows:
- (a) In the case of fax twelve (12) hours after the time of confirmation of dispatch
 - (b) In the case of courier, when delivered.
 - (c) In the case of delivery by hand, when delivered.
 - (d) In the case of electronic mail, when confirmed by return email from the recipient or received in readable form.

26.3. In all of the above an electronic mail has to be sent in parallel to the Company's Representative or to Contractor's representative, as appropriate.

27. GOVERNING LAW, SETTLEMENT AND DISPUTES

27.1. The Company and the Contractor agree that the law of the Kingdom of Saudi Arabia shall govern this Contract.

27.2. With respect to any and all disputes between the Contractor and the Company, all claims by the Contractor against the Company relating to the Contract shall be submitted in writing to the Company's representative. The Parties in the first instance shall apply all reasonable efforts to achieve an amicable resolution of the dispute(s) addressed in the Contractor's claim within thirty (30) days from the date the Company receives such claim and/or dispute. Thereafter, any dispute, controversy and/or claim arising out of or relating to this Contract, or a breach, termination or invalidity thereof, the Parties hereto agree first to try to settle it by mediation, administered by the Saudi Center for Commercial Arbitration (SCCA) in accordance with its Mediation Rules. If settlement is not reached within forty five (45) days after service of a written request for mediation, any unresolved dispute, controversy or claim arising out of or relating to this Contract shall be settled by arbitration administered by the SCCA in accordance with its Arbitration Rules. The Arbitration shall be conducted by the SCCA in the Kingdom of Saudi Arabia and the applicable law is Kingdom of Saudi Law. The Arbitration decision shall be final and binding on the Parties.

27.3. Notwithstanding any dispute relating to the Contract, the Contractor shall proceed diligently to perform on a timely basis all requirements of the Contract pending final resolution of such dispute. Any failure of the Contractor to proceed on such basis shall be a default under the Contract for which the Company may, in addition to any other rights or remedies it may have, terminate the Contract.

28. SECURITY

28.1. The Contractor shall comply with the Company's security regulations and abide by the Site Security Badge Programme operated by the Company, including the display of Company issued Identity Cards on the chest pockets of Contractor employees during working hours.

28.2. Any Contractor employees who lose their Identity Card shall be questioned by the Company Industrial Security Department in order to discover the reasons for the loss and the following actions taken:

- (a)** Contractor shall pay a fine of Five Hundred Saudi Riyals (SR.500.00) for the first loss of card/per card and the Company shall replace such card/s thereafter this first loss.
- (b)** Contractor shall pay a fine of One Thousand Saudi Riyals (SR.1,000.00) for the second loss of card/per card and the Company shall dismiss the Contractor

employee from the job site and no further Identity Card/s shall be issued to the employees concerned.

- 28.3.** Contractor shall be responsible for the return of its employees Identity Cards immediately upon their expiry dates, to the Company Security Department. Failure to do so shall subject the Contractor to a fine of One Hundred Saudi Riyals (SR.100.00) per card per week following the expiry date of the card or the Contract Completion Date (whichever comes first) for a maximum of four weeks. Upon failure to surrender after this period of four weeks the Company Security Department then has the right to call in the concerned authorities of the Kingdom of Saudi Arabia who may take appropriate action against either the Contractor or its relative employee's or both.
- 28.4.** The Contractor shall in connection with the Contractor's site facilities provide and maintain at its own cost all lights, fencing and watching when and where necessary or required by the Company Representative or by the Kingdom of Saudi Arabian authorities for the protection of the work or for the safety and convenience of the public or others. The Contractor shall observe the Company's security regulations and not permit any unauthorised person to enter or remain on the site. The Contractor shall not remove from the site any material or plant without prior written consent of the Company Representative.
- 28.5.** No photograph may be taken on Company premises without the written consent of Company Security Department.

29. SAFETY PROCEDURES, OCCUPATIONAL HEALTH AND INDUSTRIAL HYGIENE

29.1. The Contractor shall:

- (a) Comply with all applicable safety regulations. The Company's Safety Policy and Procedures Manual is part of this Contract and issued to Contractor as a separate document. Contractor shall acknowledge receipt of both documents, i.e., Contract and Safety Policy and Procedures Manual and adhere to the contents therein as part of the whole.
- (b) Take care for the safety of all persons entitled to be on the Site,
- (c) Use reasonable efforts to keep the Site and Works clear of unnecessary obstruction so as to avoid danger to these persons,
- (d) Provide fencing, lighting, guarding and watching of the Works until completion and taking over by the Company, and
- (e) Provide any temporary works (including roadways, footways, guards and fences) which may be necessary because of the execution of the Works, for the use and protection of the public and of owners and occupiers of adjacent land.

29.2. The Contractor shall in regard to safety, occupational health and industrial hygiene observe the requirements of applicable rules and regulations of the Kingdom of Saudi Arabia and all regulations imposed by the Company. Without prejudice to the generality of the foregoing, the Contractor shall comply with the Labor Law and the Social Insurance Law.

The Safety Regulations of the Company as of the effective date of the Contract are appended in the Safety Policy and Procedures Manual issued with this Contract. Such safety regulations may be updated from time to time at the Company's discretion. The Contractor shall ensure that all said requirements are observed by any Sub-Contractors.

- 29.3.** Where reports of accidents or dangerous occurrences as made to the authorities of the Kingdom of Saudi Arabia by either the Contractor or his Sub-Contractors pursuant to applicable rules or regulations, the Contractor or Sub-Contractor shall send the Company a copy of the subject report. The Contractor shall follow the Company's accident reporting procedures.
- 29.4.** The Contractor shall produce evidence of its safety record and details of its Safety Procedures. The Company reserves the right to stop the work if any of the agreed or obligation safety measures are not observed.
- 29.5.** All injuries sustained by the Contract staff whilst working on Company's sites shall be reported in writing on the prescribed form to the Company's Medical Officer within twenty-four (24) hours of the accident. In cases of serious injuries, the Company Safety Officer and the Police should also be informed. The Contractor shall be responsible for reporting to the Labor Office all accidents and injuries as required under the rules and regulations of the Kingdom of Saudi Arabia.
- 29.6.** The Contractor shall comply with Company's requirements for occupational health and industrial hygiene. Changes thereto will be advised to Contractor.
- 29.7.** The Company or its duly authorised representatives shall have access at all reasonable times to the Contractor's records for the purpose of satisfying themselves that Contractor is complying with the provisions of this Clause.
- 29.8.** The Company has the right to suspend or terminate the Services, if Contractor fails to comply with the provisions of this Clause.
- 29.9.** Contractor shall advise the Company in writing of its nominated representative having responsibility for matters relating to Safety, Occupational Health and Industrial Hygiene and to whom communications on such matters shall be addressed.

30. CONFLICT OF INTEREST

- 30.1.** Except for customary promotional material and occasional business entertainment, limited in value in any instance to the reasonable cost of a business meal, and other than as specifically authorized under the terms of this Contract, Contractor and Sub-Contractor shall not give, offer, or accept, and warrants that it has not given, offered or accepted, directly or indirectly, any money, personal services, credit or other thing of value, to or from:
- (a) Company or its affiliated or related companies, or
 - (b) any of their agents, independent contractors or subcontractors, or
 - (c) the employees of any of the foregoing,

In order to influence the award of this or any other contract that has been or may be awarded by Company, or their terms, performance, administration, extension or termination.

30.2. Any violation of this provision shall constitute a substantial breach of this Contract which, without prejudice to Company's right to enforce any other remedy provided by law, shall empower Company to terminate this Contract for default and claim damages including, but not limited to, any increased costs incurred by Company as a result of such breach.

30.3. The contractor must promptly notify the Company if any of the Company's Personnel obtains any interest (whether directly or indirectly) by way of a shareholding partnership, or any other form of association in the Contractor, its affiliates or any sub-contractors by the Internal Auditor Direct Line via the following method:

- (1) Call to +966-13-357-2373
- (2) Email to GeneralAuditor.Directline@SASREF.com.sa

31. BUSINESS ETHICS AND ANTI BRIBERY COMPLIANCE

31.1. BUSINESS ETHICS

- (a) Both the Contractor and the Company shall uphold the highest standards of business ethics in the performance of the Contract. Honesty, fairness and integrity shall be paramount principles in the dealing between the Parties.
- (b) Neither Party shall knowingly involve itself in any business in connection with, or use information arising from, the Contract, in any manner which conflicts with the interests of the other Party.

31.2. ANTI BRIBERY COMPLIANCE

With reference to the performance of the Services and associated activities under this Contract, and if applicable under the respective laws, the Contractor hereby represents and warrants that:

- (a) it will comply with all applicable laws, statutes, regulations, codes and conventions relating to anti-bribery and anti-corruption including but not limited to (i) those of the jurisdiction of incorporation of the Contractor and the Contractor's ultimate parent company; (ii) those of the principal place of business of the Contractor; (iii) the Corruption of Foreign Public Officials Act, S.C. 1998, c.34 (Canada); (iv) the Foreign Corrupt Practices Act of 1977 15 U.S.C. §§ 78dd-1, et seq. (United States of America); (v) the Bribery Act 2010 (United Kingdom); and (vi) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention's Commentaries; all as may be amended and/or superseded from time to time ("**Relevant Requirements**");
- (b) it has in place and will maintain an anti-bribery and anti-corruption policy and adequate procedures to prevent any act of bribery or corruption being committed by it and to ensure compliance with all Relevant Requirements. Contractor will provide Company with a copy of such policy and procedures;

- (c) during the term of this Contract, the Contractor agrees to keep and retain detailed, accurate and up to date books, accounts and records of all financial transactions made pursuant to this Contract which are sufficient to enable the Company to verify the Contractor's compliance with its obligations under this Clause 28. The Contractor will not make any off-the-book accounts, payments or expenditures;
- (d) no member of Contractor group of companies has made, offered, or authorized and that no member of the Contractor group of companies will make, offer, or authorize any payment, gift, promise or other advantage, whether directly or through any other person or entity,
- (e) to or for the use or benefit of any public official or any person holding a legislative, administrative or judicial office (including any person employed by or acting for a public agency) or any political party or political party official or candidate for office, in violation of any of the Relevant Requirements;
- (f) during the term of this Contract and following its expiry or termination, the Contractor will promptly report to the Company if the Contractor becomes aware or has reasonable grounds to believe that any payment, gift, promise or other advantage has been requested, demanded, offered, accepted, paid or received in relation to the Service and associated activities under this Company. In such a circumstance, the Contractor shall cooperate in good faith with any investigations which the Company may seek to initiate in order to determine whether any such payment, gift, promise or other advantage has been requested, demanded, offered, accepted, paid or received; and
- (g) the Contractor shall promptly notify the Company if, at any time during the term of this Contract, its circumstances, knowledge or awareness changes such that it would not be able to repeat the representations and warranties set out in this Clause 31 at the relevant time. Additionally, Contractor shall notify Company if it considers Contractor would not be able to repeat the representations and warranties set out in this Clause 31 at the relevant time. In either case, the PARTIES shall work together to provide assistance to one another for the purpose of compliance with any of the relevant requirements.

31.3. Breach of any provision of this Clause 31 shall be deemed a material breach of this Contract and the Company may suspend or terminate this Contract immediately on notice to the Contractor if it believes, in good faith and on reasonable grounds, that the Contractor has breached any of the obligations it has undertaken pursuant to this Clause 31. If the Company suspends or terminates this Contract for a known or suspected breach of this Clause 31, the Contractor shall not be entitled to claim any compensation or remuneration in respect of such period of suspension or following termination, regardless of any activities or contracts with additional third parties entered into before termination.

31.4. At the request of Company, the Contractor will certify to the Company in writing signed by two directors of the Contractor, compliance with this Clause 31 by the Contractor and its Affiliates who are performing Services in connection with this Company. The Contractor shall provide such supporting evidence of compliance with this Clause 31 as the Company may reasonably request.

31.5. Without limiting any other rights the Company may have against the Contractor, the Contractor shall be responsible for and shall save, indemnify, defend and hold harmless each member of the Company group of companies, from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities which such member of the Company group of companies may suffer, sustain, pay or incur arising by reason of any breach by the Contractor or any member of the Contractor group of companies of any of the representations, warranties and obligations under this Clause 31. This Clause 31 will survive the expiry or termination of the Contract, notwithstanding anything to the contrary contained herein.”

32. ASSIGNMENT BY COMPANY

32.1. The Company may without the consent of the Contractor assign or novate any or all of its rights, benefits, obligations and/or liabilities under this Contract to a third party. Pursuant to any such assignment or novation, the Company may without the consent of the Contractor assign or novate such rights, benefits, obligations and/or liabilities to the lawful successor to (or any party acquiring) all or substantially all of the Company’s interest. The Company shall notify the Contractor prior to carrying out any such assignment or novation.

32.2. In the event that the Company so requires, the Contractor shall enter into an agreement (in the form set out by the Company in the annex / attachment) transferring the Company's rights and obligations under this Contract to any permitted assignee under this Sub-Clause. The Contractor irrevocably undertakes to procure the reissuance in favour of the relevant assignee of the benefit of the Performance Security and the Parent Company Guarantee as determined by the Company.

33. ENTIRE AGREEMENT

The Contract constitutes the entire agreement between the parties and supersedes all prior offers, negotiations, exceptions and understandings, whether oral or written, between the parties hereto relating to the Work and Services called for hereunder. Deviation from any provision of the Contract (including any variation in the services) shall not be binding upon the Company or the Contractor unless evidenced by a written Variation Order.

34. MEDICAL FACILITIES

The Company will provide free of charge emergency first aid treatment to injuries sustained by the Contractor staff resulting from accidents occurring on site. All other medical and hospitalisation expenses shall be borne by the Contractor.

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