

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 1 of 8

OCI's TERMS & CONDITIONS FOR PURCHASE

1. Interpretation

1.1. **"Seller"** shall mean any person who accepts the terms of the Contract and these Conditions with the intent of selling Goods to the Buyer;

"Conditions" shall mean these standard terms and conditions of purchase of the Goods and any additional special terms and conditions stipulated in the Contract;

"Contract" shall mean the Written Agreement of purchase of the Goods (Purchase Contract);

"Agreement" shall mean OCI's terms & conditions for purchase

"Delivery Date" shall mean the date by which the Seller deliver the Ordered Goods in accordance with the date given in the Purchase Order;

"Goods" shall mean those goods which the Seller is to supply pursuant to the Contract and in accordance with the terms herein;

"Invoice" shall mean the Seller's written itemised statement and price of the Goods delivered or to be delivered to the Buyer pursuant to the relevant provisions of clause 19 (Payment Terms);

"Party" shall mean the Buyer or the Seller as the context may require and **"Parties"** shall mean the Buyer and Seller collectively;

"Buyer" shall mean Oman Cables Industry (SAOG), herein and after known as OCI;

"Writing" and **"Written"** shall pertain to all written documents relating to the Goods including without limitation all facsimiles, electronic correspondence;

1.2. These Conditions and the Contract shall be considered complementary to each other and read together as one document;

1.3. These Conditions and the Contract shall be governed in all respects by the laws of the Sultanate of Oman;


1.4. The headings in these Conditions are for convenience of reference only and shall not affect its interpretation or construction in any way;

1.5. Unless the context requires otherwise, the terms and expressions which are defined in or given a particular meaning by the Conditions will have the same meaning in the Contract and any other written documents which the Buyer shall issue in the performance of any negotiations or execution of the Contract;

1.6. Any terms and/or expressions which have not been assigned a particular meaning by these Conditions but which appear in any of the Buyer's written documents related to the purchase of

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 2 of 8

the Goods shall be concluded as the context may require.

- 1.7. This Agreement shall be read in conjunction with the Purchase Order PO / Purchase Contract / Service Contract

2. Invoice

"Invoice" (in triplicate manually signed and stamped) must have the following information:

- i. OCI's Purchase Order Number / LC Number, if any.
- ii. Description, specifications and details of Goods as per the Purchase Order / LC (both LC & PO should have same description)
- iii. Inco-terms
- iv. HS code number
- v. Net weight and Gross weight as mentioned in the Bill of lading / Airway Bill
- vi. Unit price

3. Certificate of Origin

Certificate of Origin, in case of Sea or Road shipments only (and for Air shipment exceeding CIF value of RO1000/USD 2500) should be legalized by any Arab Embassy or attested by the Chamber of Commerce. In case the Certificate of Origin is not legalized, a charge of USD 52 (or as revised by the competent authorities or legislation) is levied by the Customs which will be borne by the Seller either through deducting this amount from the LC / Invoice value or raising debit note and offsetting this with the immediate due payment to the Seller.

4. Packing list

Net Weight and Gross Weight shall be mentioned in the Packing list as mentioned in the Bill of lading/Airway Bill. In case of containerized shipment, container wise packing list should be provided.

5. Documents

Documents to be presented within 05 (five) international working days in case of direct payment and 21 days in case of LC payment, from the date of Bill of Lading; within 02 international working days in the case of direct payment and 21 days in case of LC payment, from date of dispatch by Air (AWB).

Shipments by road must be accompanied with all the relevant documents; or otherwise as per mutually written agreed periods.


In case documents are not submitted in time, the Seller will advise shipping line to accept shipping guarantee from OCI one week prior to arrival of vessel. Demurrage, if any, will be on Seller's account by raising debit note and offsetting this with the immediate due payment to the Seller.

Following documents must be submitted to the bank or sent directly to OCI, as the case may be:

- i. Three original invoices (one legalized and two original manually signed and stamped)
- ii. Three original packing lists
- iii. Certificate of Origin
- iv. Three original BL or one Original AWB

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 3 of 8

v. One original test certificate

For L/C and C & F shipments, following documents should be obtained from the shipping line as a part of negotiating documents:

- I. A Certificate from the Carrier /Owner/Master of their Agent certifying the following:
 - a) The carrying vessel (including the vessel name) holds a valid International Safety Management Certificate (ISM CODE);
 - b) Shipment has not been effected on deck;
 - c) Shipment has been made by Conference /Regular Line Vessel not exceeding 25 years of age, with a published route and classed as per Lloyds 100 A1 or equivalent and complying with International Safety Management Code (ISM) as per International Maritime Organization (IMO) Regulations;
 - d) The vessel is allowed to enter Arabian ports;
 - e) The vessel is self propelled

- II. Copy/Photocopy of a valid ISM certificate issued by IMO/Registry showing the ISM code number and vessel's year of build.

6. Charges

6.1. All charges pertaining to shipping guarantee will be borne by the Shipper/Seller

6.2. All Bank charges outside Oman to be borne by the Shipper/Seller and within Oman to be borne by OCI.

7. Delivery Date

Delivery date indicated in the PO, which is as per Inco-terms, the specified date of arrival of Ordered Goods at the destination port for CIF/CFR shipments and Ex-Works (Seller's works) date for Ex-Works cases and FOB date for FOB shipments. However, the delivery date will be pre-agreed with the Seller.

8. Late Delivery

Unless otherwise agreed in writing by the Parties, time is of the essence in receipt of the Goods. If the Goods or any part of them are not delivered by the time or times agreed between OCI and the Seller and specified in the Purchase Order then OCI may:


- (1) return, for full credit and at Seller's expense any Goods that in the opinion of OCI cannot be utilized owing to this cancellation and;
- (2) in the event of delay impose a penalty to be paid by the Seller which shall be deducted from any payment due to the Seller at the rate of 0.5 % of the value of the relevant Purchase Order per week or part thereof for first 6 weeks and then 1 % or part thereof after 6 weeks up to a maximum penalty of 10% of the Purchase Order value.

OCI shall have the right to terminate the contract if the shipment is delayed more than 10 weeks. In the event of cancellation under this condition, the Seller shall promptly repay any moneys paid under the relevant Purchase Order without any retention or offset whatsoever. Cancellation of the Purchase Order under this condition shall not affect any other rights which OCI may have.

OCI reserves the right to claim the losses, damages, costs and expenses arising from this termination.

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 4 of 8

OCI will have the right to purchase the Materials / Goods from other sources and all additional costs incurred by OCI will be borne by the Seller.

9. Material Safety Data Sheet (MSDS)

It is the Seller's responsibility to provide, for each Purchase Order with first delivery of an item, MSDS (material safety data sheet) and the amendments as and when it happens, clearly mentioning among other relevant information, the storage conditions, shelf life and pallet stackable height etc, and any other relevant storage measures.

10. Inspection, Acceptance and cancellation

OCI shall have the right to inspect and reject the Goods in whole or in part whether or not paid for in full or in part within thirty (30) days of receipt at OCI's warehouse if the Goods do not conform with the exact terms and conditions of the Purchase Order, including any deviation from OCI's specifications and the amendments thereof, as furnished. OCI will give the Seller a period (within thirty (30) days of intimation or any other mutually written agreed period to replace the Goods with new Goods that conform with the PO/Contract, after which time OCI shall be entitled to cancel the Purchase Order and purchase the nearest equivalent goods elsewhere and the provisions of the condition entitled in clause 11 "Inability of the Seller to Supply" shall apply. In the event of cancellation under this condition, the Seller shall promptly repay any money paid under the relevant Purchase Order without any retention or offset whatsoever. Cancellation of the Purchase Order under this condition shall not affect any other rights which OCI may have. The Seller must collect all rejected Goods within thirty (30) days of intimation of rejection. In such case if Seller fails to take back the Goods within the time stipulated, OCI reserves the right to dispose the goods as it deems appropriate.

Neither OCI's inspection nor failure to inspect shall relieve the Seller of any warranty obligation, whether related to Goods and/or Materials.

The Seller will not be exempt from the penalty terms for any extended time given by OCI to supply the Goods as per the specifications mentioned in the PO / LC.

11. Inability of the Seller to Supply


In the event that the Seller is unable for whatever reason other than force majeure to meet the delivery requirements as communicated to it by OCI then the Seller shall indemnify OCI in respect of the actual costs incurred by OCI in obtaining the Goods from an alternative source. This shall include any special shipping and freight costs which may have to be incurred.

12. Waiver

OCI's acceptance of less than the entire amount of any order or of non-conforming Goods shall not constitute a waiver of OCI's right to reject or accept any portion or the remainder of any order and shall not bind OCI to accept additional deliveries. Neither the presentation of an invoice nor the payment thereof shall constitute a settlement of a dispute or otherwise waive or affect the rights of the Parties hereunder.

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 5 of 8

13. Performance and Service Levels

The Seller shall perform its obligations under the PO in accordance with the key performance indicators (KPIs) and the service levels such as delivery on time, quality and correct and timely submission of documents (OCI and the Seller may agree to additional KPIs if required). OCI and the Seller agree to monitor Seller's performance against the key performing indicators and service levels against agreed targets.

14. Undertaking

14.1. The Seller undertake that the Goods will meet the description and specifications described in raw material specification (RMS) and cable manufacturing specification (CMS) sheets or as described in the Purchase Order.

The Seller undertakes that the Goods will:

- (a) be free from all defects in design, workmanship and materials
- (b) be new, unless specified otherwise in the Contract;
- (c) be fit for use for their ordinary intended purpose as well as any special purpose specified in the Contract;
- (d) do not constitute infringement or contributory infringement of any patent, copyright or trademark, or violation of any trade secret when sold or used in their ordinary intended purpose as well as any special purpose specified herein;
- (e) be in strict conformance with every provision of the Contract/Purchase Order;
- (f) be capable of all standards of performance specified in the Contract.

14.2. If, in OCI's opinion, the Goods/Materials fail to conform to this contract or are otherwise defective, the Seller shall, at OCI's sole option, promptly repair or replace them at the Seller's expense.

15. Force Majeure

Neither Party shall be considered in default or in breach of its obligations under this Agreement to the extent that performance of such obligations is delayed, hindered or prevented by Force Majeure. Force Majeure means any circumstances beyond the reasonable control of the Parties including, without limitation, acts of God, acts of government, acts of war (declared or otherwise), hostilities, riot, civil commotion or unrest, military action, insurrection, fire, flood, incendiaries, explosion, embargo, criminal acts of third parties, strikes or other labor disturbances.


If any Force Majeure occurs affecting the performance of a Party's obligations under this Agreement, the Party affected shall notify the other Party in writing within [fourteen (14)] days and both OCI and the Seller shall consult together and shall make every reasonable effort to mitigate the effect of Force Majeure, and OCI shall have the right to have the Goods affected by the Force Majeure supplied from elsewhere.

If, by reason of Force Majeure, the Seller is unable to meet the agreed delivery date for Goods specified in one or more Purchase Orders the Seller will be obliged, at the option of OCI, to supply the Goods at a new date, subject to new shipping details, with all other conditions of the Purchase Order remaining unchanged.

OCI may terminate this Agreement in the event the Force Majeure circumstances which prevent the Seller from fulfilling its obligations under this Agreement, persists for more than 30 days on any one occasion or for more than 60 days in any period of 12 months for more than one occasion.

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 6 of 8

16. Confidential Information

In this Agreement, Confidential Information means the contents of this Agreement and any information, document, method or technique (including any computer program or data) which: (1) is made available by the other party for the purposes of this Agreement, or is information relating to the business of the other party which comes to the knowledge of either party in the course of the provision of the Services; or (2) relates to this Agreement and is made available by any third party to OCI or to the Contractor under an obligation of confidentiality.

Each party undertakes that it must: (1) keep all Confidential Information confidential and not disclose it to any person; (2) not use any Confidential Information except as may be necessary for the purposes of the Services; and (3) ensure that its employees, representatives and agents do the same:

A party may disclose or allow disclosure of Confidential Information: (1) to its representatives, officers, employees or professional advisers to the extent necessary to enable the party to perform or enforce of any of its duties or rights under this Agreement; or (2) when its legal counsel advises it that disclosure is required by law; (3) to the extent the Confidential Information has become publicly available or generally known to the public at the time of the disclosure other than as a result of a breach of this provision; or (4) to a relevant government authority to the extent necessary for the proper management of the taxation affairs of that party or any of its group companies; or (5) if it has the prior written approval of the other party to the disclosure (that approval not to be unreasonably withheld or delayed).

If a party intends to disclose Confidential Information in a way allowed by this provision it must to the extent reasonably practicable: (1) give the other Party advance notice of the fact and a copy of the information which it intends to disclose; (2) allow the other Party to make representations or objections about the disclosure; and (3) take into account the reasonable representations and objections the other party make.

The duties in this Clause shall continue to apply after this Agreement ends without limit in time.

17. Order Acknowledgement

The Seller shall send the Order acknowledgment within 5 working days of receipt and it shall be deemed to have been duly received as follows:


- i. if sent by personal delivery, upon delivery at the seller's address;
- ii. if sent by post, five (5) working days after the date of posting provided that proof is given that the notice was properly addressed and duly dispatched by post and, in the case of a notice sent to a party in another country, that the notice was sent by first class airmail post; and
- iii. if sent by facsimile, when dispatched provided OCI has received a receipt evidencing proper transmission,
- iv. if sent by email, when dispatched provided OCI has received a receipt evidencing proper transmission,

provided that if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside normal working hours in the place of service of the notice or other communication it shall be deemed to be given or made at the start of normal working hours on the next usual working day.

If the acknowledgment is not received within this period, the Order is considered to be accepted technically and commercially.

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 7 of 8

18. Shipment schedule/delivery terms

As per the Purchase Order, contract, service agreement .

19. Payment terms

As per the Purchase Order, contract, service agreement.

20. Title and Risk

As per Inco-terms

21. Governing Law and jurisdiction

This agreement and all purchase contracts, orders, service contracts read in conjunction with it shall be governed and construed by the laws of Sultanate of Oman. The Parties agree to submit any disputes that may arise out of this Agreement to the exclusive jurisdiction of the Courts of the Sultanate of Oman.

22. Indemnity

The Seller shall indemnify and hold OCI harmless from and against any and all loss, actions, costs, claims, demands, proceedings, judgments, causes of action, expenses and liabilities whatsoever (if any) which OCI may incur in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of OCI's or of any person for whom OCI are responsible) howsoever caused and whether due to negligence, breach of statutory duty, breach of this Agreement or otherwise of the Seller arising out of or in connection with the performance, or failure to perform, any of the Seller's obligations under this Agreement or alleged to be attributable to some defect in the Goods.

The Seller shall be liable for, and shall indemnify and hold harmless OCI from and against any loss or damage incurred by any third party arising out of or in conjunction with the negligence performance or non compliance of the purchase order by the seller.

The duties in this Clause shall continue to apply after this Agreement ends for a period of 3 years.


23. Work on OCI Premises

If the Contract involves any works or services which the Seller must perform on OCI's premises, then the following conditions shall apply: (1) the Seller shall ensure that it and its employees, Seller's subcontractors and their employees and any other person associated with the Seller will adhere in every respect the applicable laws and regulations, (2) (without prejudice to the generality of the condition under the clause 22 "Indemnity") the Seller will indemnify OCI against all loss, costs, claims, demands, expenses and liabilities whatsoever (if any) which OCI may incur (other than as a result of any default or neglect of OCI's or of any person for whom OCI are responsible) in respect of personal injury to or death of any of Seller's or OCI's employees, agents, sub-contractors or other representatives or damage to any property caused or contributed by the Seller, its employee's, the Seller's subcontractors and their employees and any other person associated with the Seller while on OCI's premises whether or not such persons are (at the time such personal injury or deaths or damage to property are caused) acting in the course of their employment.

24. Notice

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)

	Oman Cables Industry (SAOG)	No. OCI / TCP / 001
		Date: 1st Dec. 2011
	Document: OCI's Terms and Conditions for Purchase	Issue No. 000
		Page 8 of 8

Any notice required or otherwise directed under these Conditions by either Party to the other shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant times have been notified to such other party pursuant to this provision.

25. Assignment

The Seller shall not assign or otherwise deal with any right or interest arising out of or in connection with this Agreement without OCI's prior written consent.

26. Severance

If any provision of this Agreement is not or ceases to be legally binding and enforceable, it will not affect the legality, binding effect or enforceability of any other provision

27. Amendment

This agreement (OCI's terms and conditions for purchase) is subject to periodical review by OCI and it may be amended from time to time.

Approved By

Ahmed Naveed Farooqui
General Manager (PSC)