

General Terms and Conditions

1 Definition

- 1.1 "Purchase Agreement" mean these General Conditions, the Purchase Order Format and other documentation that is made part of the Agreement by special reference.
- 1.2 "Force Majeure" means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the Purchase Agreement or could not reasonably have avoided or overcome it or its consequences.
- 1.3 "Goods" means all items to be provided under this Purchase Agreement whether raw materials, processed materials, fabricated products, services, drawings, and other documentation as applicable.
- 1.4 "Supplier" means the company or person stated on the front page of the Purchase Order Format.
- 1.5 "Purchaser" means Autochim Systems Abu Dhabi (ASAD) LLC.
- 1.6 "Price" means the total sum payable to Supplier in accordance with this Purchase Agreement, or as such sum is increased or decreased in accordance with the provisions of this Purchase Agreement.

2 Quality Assurance

- 2.1 Supplier shall have an implemented and documented quality system in accordance with ISO 9001 or equivalent.
- 2.2 ASAD or his representative shall have the right to undertake quality audits and verifications of Supplier's and any subcontractor's quality system.
- 2.3 Supplier shall search for faults, omissions and inconsistencies in the various parts of the Purchase Agreement and shall without undue delay notify ASAD in writing of any such fault, omission or inconsistencies discovered.

3 Inspection / Verification

- 3.1 ASAD or his authorized representative shall have the right to make such inspections and verifications of the Goods as they consider necessary at Supplier's facilities, and/or at any of his subcontractor's facilities.
- 3.2 The above-mentioned inspections and verifications do not exempt Supplier from responsibility for the Goods according to this Purchase Agreement.

4 Progress

- 4.1 If Supplier has reason to believe that delivery of any part of the Goods may be delayed, he shall immediately notify ASAD in writing. Supplier shall in such notice inform ASAD about the following:
 - Reason for and extent of delay
 - Efforts that Supplier will make in order to avoid, limit or recover the delay.

5 Variations

- 5.1 ASAD has the right to order variations to the Goods. Such variations may include an increase or decrease in the quantity, character, kind, features and characteristics or manufacture of the Goods or part thereof and adjustments to the schedule provided that such variations do not exceed that which the parties could have reasonably have expected when this Agreement was signed.
- 5.2 The effect of the variation on the Price and/or delivery schedule shall be determined through negotiations between the parties, unless otherwise specified in this Purchase Agreement.
- 5.3 Supplier shall upon ASAD's request implement a variation order without undue delay, even if the parties have not agreed upon the variation order's effect on the Price, schedule and/or other conditions of the Purchase Agreement.

6 Delivery and Completion of the Goods

- 6.1 The Goods shall be delivered properly packed and marked at the agreed place of delivery and within the stipulated time. Terms of delivery shall be interpreted in accordance with INCOTERMS 2010.

7 Warranty and Acceptance of the Goods

- 7.1 Supplier guarantees that the Goods conform to the technical documentation and that they are suitable for the purpose and use for which they are intended in accordance with this Purchase Agreement.
- 7.2 Unless otherwise stated in the Purchase Agreement, the warranty period for the Goods expires 12 months from the date the Goods are taken into use for their intended purpose.
- 7.3 If Supplier has performed warranty work during the warranty period, Supplier shall guarantee the parts of the Goods so repaired for a period of 12 months from the date of completion of the warranty work.
- 7.4 The supplier shall assist ASAD to get the defective material (which is out of warranty) repaired by the Manufacturer and shall coordinate with the manufacturer on behalf of ASAD. Though the cost of repair shall be borne by ASAD; the supplier shall handle the coordination. Moreover; the supplier shall send a detailed defect/ diagnosis report on the failures so that the repair works can be approved, and the subject report can be submitted to End User.

8 Payment of the Price, Invoicing and Audit

- 8.1 Unless otherwise agreed, Supplier shall invoice ASAD following delivery of the Goods. ASAD shall pay the invoice within the agreed duration as stated on the payment terms field of the Purchase Order.

9 Supplier's Delay

- 9.1 If delivery of the Goods is delayed, Supplier shall pay a penalty to ASAD. The percentage penalty for not meeting the delivery date shall be 1.0 % (one percent) of the Price per complete week of delay. Supplier's cumulative liability for penalty under this Article is, however, limited to 10% of the Price.

10 Cancellation and Return of Products

- 10.1 ASAD has the right to cancel this Purchase Agreement at any time before acceptance of the Goods or with immediate effect by giving written notice to Supplier if one or more of the following situations occur:
 - Supplier becomes insolvent.
 - Supplier is in substantial breach of his obligations under here.
 - Supplier fails to comply with the specification & terms of the purchase order.
 - The progress of the order is not satisfactory as assessed by ASAD.
 - The requirement is cancelled by client due to volatile market scenario.
- 10.2 Wrongly or oversupplied goods will be returned at Supplier's expense.

11 Force Majeure

- 11.1 The party affected by Force Majeure shall immediately give written notice to the other party about such situation.
- 11.2 If a Force Majeure situation continues without interruption for a period of 30 days or more, each of the parties shall be entitled to terminate this Purchase Agreement by written notice to the other party.

12 Patents

- 12.1 Supplier shall indemnify ASAD from any action, claim or loss resulting from infringement of patents, licenses, copyrights or other protected rights in connection with the Goods.

13 Language

- 13.1 The parties have expressly required that these terms and conditions be prepared in the English language.

14 Governing Law and Disputes

- 14.1 This Purchase Agreement shall be governed by and construed in accordance with the laws of United Arab Emirates.
- 14.2 Any court proceedings will be brought before the Abu Dhabi Courts.