

The general terms and conditions of Enquiry / order applicable for purchases of both materials and services above RO.10, 000/=:

01. DEFINITION

“PURCHASER” shall mean Oman India Fertilizer Company, SAOC “SELLER” shall mean the person, firm or company to whom this Purchase Enquiry /Order is issued. “ORDER” shall mean this Purchase Order and its attachments and exhibits. “GOODS” and/or “MATERIALS” shall mean the articles, materials, machinery, equipment, supplies drawings, data and other property and all services-including design, delivery, installation, inspection, testing and commissioning specified or required to complete the order.

2.0 ACCEPTANCE OF ORDER

This order is expressly conditioned on Seller’s acceptance of all the terms and conditions hereof. The Seller shall return two copies of the order duly signed and accepted within 10 days of the receipt of the Purchase Order by him.

3.0 DEVIATIONS

This order shall be subject to these General Terms and Conditions and any additional/specific conditions referred to in the order, and no deviation shall be made from the requirement of the Order or from the General Terms and conditions unless deviations are approved in writing by the Purchaser.

4.0 ASSIGNMENT AND SUBLETTING

Except with the prior permission of the Purchaser, the Seller shall not assign or sublet this Order or any part thereof or any money due hereunder to any other manufacturer/vendor. Such permission if granted by the Purchaser will not, however, in any way relieve the contractual obligations of the Seller on whom the order has been placed.

5.0 Damages

If for reasons not attributable to the Purchaser or due to conditions constituting Force majeure , as defined in this order, the supply of equipment, and/or materials is not completed in accordance with the provisions hereof and in accordance with the delivery/completion period as indicated in the body of order, it is agreed that the purchaser shall be entitled to and the seller shall pay to the purchaser as pre-estimated mutually agreed damages pursuant thereto @ ½%(half percent) per week or part thereof ‘s subject to maximum 5%(five percent) of total order value on account of delay in

delivery/completion and as by way of mutually determined reasonable compensation to the purchaser and not as liquidated damages or penalty and with out the purchaser being required to establish and prove the actual loss /damage suffered by the purchaser on account of such delay/completion.

The order value shall include all contingencies and escalations, if any, payable by the purchaser to the seller

- 1) The following will be considered as damages
 - i) Delay in delivery of materials covered in the purchase order / delay in completion of work specified in the Work Order
 - ii) Delay in supply of technical documents
 - iii) Failure to meet Performance Guarantee
 - (a) Shortfall in guaranteed output (expressed as a percentage of shortfall)
 - (b) Failure to meet utilities consumption guarantees
 - (c) Failure to meet service level parameters

Notwithstanding anything to the contrary in this purchase order and with out prejudice to the right of the purchaser under this purchase order and its entitlement to the said pre-estimated mutually agreed damages and in addition and not in derogation or substitution thereof the purchaser shall be entitled to terminate the purchase order in whole or in part with out being liable to the seller in any manner whatsoever or to have the undelivered portion of the equipment and/or materials to be supplied pursuant hereto by the seller supplied and delivered at the risk and cost of the seller and without being liable to the seller in any manner whatsoever if at the end of and despite 30(thirty) days notice in writing the seller fails to deliver all or any part of the equipment and or materials to be supplied pursuant hereto by the seller within and in accordance with the delivery schedule (the time for completion) including such extended period as may have been allowed by the purchaser.

5.0 FORCE MAJEURE

The terms and conditions of this Purchase Order shall be subject to Force Major which shall mean and be limited to the following:

- a) Any war or hostilities
- b) Any riot or civil commotion;
- c) Any earthquake, flood, tempest, lightning or other natural physical disaster, impossibility of the use of any Railway, Port, Airport, Shipping services or other means of transport;
- d) Any strike or (lock-out (only those exceeding 10 continuous days in duration) affecting the performance of the Seller's/Purchaser's obligations.

6.0 TERMS OF PAYMENT

Unless otherwise specified in the Purchase Order, the terms of payment shall be within 30 days of the receipt and acceptance of the material at OMIFCO site.

7.0 MODE OF DESPATCH

Unless otherwise specified in the Purchase Order, the material shall be dispatched by sea/road and the dispatch documents along with a copy of the invoice will be mailed directly to the Purchaser for the attention of the Procurement Manager/the authority signing the order.

8.0 INSPECTION

If the Purchase Order specifically requires Purchaser's inspection, the Seller shall advise the Purchaser in writing at least 15 days in advance of the date when the materials will be ready for inspection. However, inspection or its being dispensed with by the Purchaser will in no manner absolve the Seller of his responsibility of quality and workmanship of the materials covered under this Order.

9.0 PATENT RIGHTS

The Seller shall fully indemnify the Purchaser, its customers and users, against any action, claim or demand, costs of expenses, arising from or incurred by reason of any infringement or alleged infringement of letters, patent, trade mark or name, copyright or other protected rights in respect of any materials supplied. All royalties and the like payment shall be the liability of and be paid directly by the Seller.

10.0 SPECIFICATIONS

All materials or equipments shall be supplied strictly in accordance with the specifications, drawings; data sheets other attachments and conditions stated on the Purchase Order. No deviations from such specifications or alterations of these conditions shall be made without the Purchaser's agreement in writing which must be obtained before material is placed on manufacture or any work commenced.

11.0 TAXES, DUTIES ETC.

Unless otherwise specified in the Purchase Order all taxes and duties will be borne by the Seller.

12.0 TRANSIT RISK INSURANCE

The transit risk insurance from the Seller's works or place up to the time of delivery to the Purchaser's site or office shall be comprehensively covered by the purchaser, in the case of **E / F** Deliveries, and to be covered by the seller in case of **C / D** Deliveries.

13.0 GOVERNING LAW AND JURISDICTION

All actions at law or suits arising out of, or in connection with this Order or the subject matter thereof and whether as to construction or otherwise shall be instituted in a court of competent jurisdiction in Muscat.

14.0 RESOLUTION OF DISPUTES / ARBITRATION

The PURCHASER and the SELLER shall make every effort to resolve amicably by direct informal negotiations any difference or dispute arising between them under or in connection with the Purchase Order. If after thirty (30) days from the commencement of such informal negotiations, the PURCHASER and the SELLER have been unable to resolve amicably the dispute; either party may require that the dispute be referred for resolution to the formal mechanisms as specified hereunder.

14.1 LEGAL CONSTRUCTION

Subject to provisions of Article 14.2, the Purchase Order shall be, in all respects, construed and operated as an Omani Contract and in accordance with Omani Laws in force for the time being and subject to the jurisdiction of Muscat Courts.

14.2 ARBITRATION

Any dispute or differences whatsoever arising between the parties out of or relating to the construction, meaning, scope, operation or effect of this contract or the validity or the breach thereof shall be settled by arbitration in accordance with the provisions of the applicable laws of the Sultanate of Oman and the award made in pursuance thereof shall be binding on the parties.

The performance under this contract shall not stop for any reason whatsoever during the said dispute/proceedings, unless the contractor/supplier is specifically directed by owner/buyer to desist from working in this behalf. The venue of arbitration shall be Muscat. The language of proceedings shall be English. The Law governing the substantive issues between the parties shall be the Laws of Oman.

15.0 CORRESPONDENCE

All correspondence concerning the Order shall state the Order Number and shall be submitted in duplicate addressed to the Muscat Office of Oman India Fertilizer Company for attention of Procurement Manager/Authority signing the Order.

16.0 DOCUMENTATION

Documentation shall be submitted as called for in the Purchase Order.

17.0 ORIGIN AND TEST CERTIFICATE

The Seller will supply copies of Test Certificates for materials and equipments as called for in the Purchase Order. Such certificate shall clearly state the Purchase Order Number, Item and Equipment Number.

18.0 FIXED PRICE

All prices shall be fixed for the duration of the order including the period of any extension thereof and shall not be subject to escalation of any description during the said duration, including any extension thereof notwithstanding any change in the cost of materials and/or labour, which may take place while the order is being executed, even though the Seller for any reason whatsoever, takes a longer period to deliver the goods than indicated in the Purchase Order.

19.0 PACKING AND DESPATCH

All packing, boxing, crating and protection shall conform to the specification or requirements of the Purchase Order. The Seller shall be held liable for damage or breakage to the goods due to defective or insufficient packaging. Markings as specifically advised in the Order or Dispatch instruction shall be done by Seller in indelible paint and in a manner as to ensure that the same is clearly visible.

20.0 DESPATCH/DELIVERY

All goods shall be dispatched by sea/road/air, freight prepaid and the Consignment note shall be sent by courier to the Procurement Manager of Oman India Fertilizer Company, SAOG as detailed in the Purchase Order.

21.0 SHIPPING/DESPATCH DOCUMENTS

The shipping/dispatch documents will consist of:

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|------|-------------------|----------|
| i. | Consignment Note | 3 copies |
| ii. | Packing list | 3 copies |
| iii. | Test Certificates | 3 copies |
| iv. | Invoice | 4 copies |

The original and two copies of the dispatch documents shall be sent by courier on the day of dispatch to the Purchaser for the attention of Procurement Manager.

22.0 INVOICES

Three copies of each invoice made out in the name of the Purchaser shall be posted to the Procurement Manager of Oman India Fertilizer Company, SAOG; immediately after dispatch has been made. The invoice shall show clearly whether they cover "part order", balance order" or "complete order" and shall include the item, number as well as order number. Net prices shall be shown on invoices. Cash discount shall be described as such and each invoice shall show any advance/progress payments received by the Seller.

23.0**DEFAULT**

In the event of any default of Seller to comply with any of the provisions or requirements hereof, Purchaser shall have the right to terminate and cancel Purchase Order with or without notice and without prejudice to any other rights, elections, or remedies Purchaser may have and Purchaser shall be relieved from any further obligations to SELLER. In the event of such cancellation of PURCHASE ORDER, Purchaser shall be entitled to arrange for the procurement of equipment, materials and services from alternate suppliers at the risk and cost of the SELLER. The waiver of one default shall not be considered an automatic waiver of any other default.

24.0**TERMINATION**

OMIFCO reserves the right to terminate or cancel this order in whole or in part by written or telegraphic notice to SELLER at any time prior to dispatch of shipment from Seller's premises. OMIFCO shall pay SELLER his actual out of pocket costs including reasonable termination expenses in connection with cancellation costs, title of the affected goods, both completed and incomplete, shall pass to OMIFCO and SELLER shall safely hold the same for a reasonable time subject to receipt of OMIFCO's written shipping instructions or other disposition instructions. However, this article shall not be applicable in case of termination by OMIFCO due to default by SELLER.

