

In The Name of God



**PARS CARBON BLACK CO.**

**CARBON BLACK HARD REACTOR  
REVAMPING PROJECT**

**General Terms and Conditions of Purchase**

<b>03</b>					
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## 1- General

This General Terms and Conditions of Purchase stipulates and provides the terms and conditions of the Contract made by the Purchase Order to the Vendor from the Purchaser.

## 2- Definitions

Project / Plant	Pars Carbon Black Hard Reactor Revamping, Saveh- Iran.
Owner	Pars Carbon Black Company (DSP)
Purchaser	Pars Carbon Black Company (DSP)
Basic Designer	TOFKA Co.
Project MC (PMC)	Parman Pouyesh Co.
Detail Designer	Matrys Co.
Vendor / Supplier	The firm, corporation or company with which the Purchase Order is to be placed.
Sub-Vendor	The person, firm, or corporation who supplies the Vendor with materials, machinery, tools, equipment, articles, items, or other services, which are used by the Vendor in connection with the Purchase Order.
Plant Site	Saveh, Iran
Materials / Goods	The equipment, materials and services to be supplied by the Vendor as per the Purchase Order.
Purchase Order	The documents and attachments which govern the Purchase Order contemplated hereby including, but not limited to the material requisition, the documents listed therein and the specifications, drawings, shipping and packing instructions, and other descriptions or conditions contained herein and in such documents.

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Contract	The agreement contemplated by the Purchase Order, General Terms and Conditions of Purchase, special Conditions of Purchase including technical description and other requirements thereof.
Final Destination	The final destination of the Materials and/or software and/or services covered by Contract is stated in the Purchase Order.

### 3- MATERIALS SPECIFICATIONS

Materials to be supplied complete in all respects in accordance with the specifications. The Purchaser can refuse to accept any materials delivered which are not in accordance with the original specifications or modified specifications as agreed between the Purchaser and the Vendor in writing. In such cases the Purchaser shall have the right to require the Vendor to replace, if necessary by air, such materials with materials to the proper and agreed specifications; all charges for such transaction being borne by the Vendor.

In such event the Vendor may request the Purchaser to return the materials incorrectly supplied but the Vendor shall bear all expenses involved including but not limited to repacking and/or transportation charges. Alternatively, should the Vendor elect not to have such materials returned, he shall forego any right to the materials concerned and the Purchaser may dispose of them in any manner deemed suitable. Should the Vendor fail to replace materials incorrectly supplied with materials to the proper and agreed specifications or to make alternative arrangements mutually agreed as acceptable between the Purchaser and the Vendor within reasonable time, the Purchaser may require the Vendor to indemnify the Purchaser for any loss or damage whatsoever sustained by the Purchaser as the result of such failure by the Vendor.

### 4- PROTECTION

Unless the Vendor advises the Purchaser in writing to the contrary the unit prices shown in the Purchaser's order shall include protection of the materials against damage or corrosion in transit; such protection being in addition to the actual packing and in accordance with the internationally accepted standards.

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Such protection shall include but not be limited to the painting of all bright and machine parts with not less than one coat of anti rust paint or chemical or the dipping of such parts in suitable anticorrosive application or by any other acceptable means; the packing of precision instruments in plastic, foam rubber or other acceptable packaging together with de-humidifying chemicals, the draining of tanks and radiators of vehicles, plant or equipment and the protection of fragile protruding, polished or bright parts of vehicles, plant or equipment, the lining of cases where required with tarred paper or other suitable water proof materials, etc.

## **5- DRAWINGS**

Unless the Vendor advises the Purchaser in writing to the contrary the unit prices shown in the Purchaser's order shall include the provision of drawings as required by the Purchaser and in the number of copies required by the Purchaser. Such drawings may include but not be limited to drawings of plant or equipment; sectional drawings of units or assemblies erection drawings including erection instructions; etc.

## **6- CONTRACT PRICE**

The Purchaser agrees to pay and the Vendor agrees to accept the amount of the contract price as full compensation for Vendor's performance of the Contract. The contract price aforesaid is the total amount set forth in the Purchase Order.

## **7- PAYMENT**

Payment of the contract price shall be made based on payment terms agreed mutually.

The Purchaser's guide line of payment terms and conditions shall be referred to "**Special Conditions of Purchase**".

The payment shall not be deemed to release the Vendor from its responsibilities under the Contract.

## **8- DELIVERY DATE AND CONDITIONS**

Delivery dates for Materials and/or software are referred to under the delivery clause stated in the Purchase Order.

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Delivery dates for technical documents are stated in the technical specifications and/or in the attachments to the Purchase Order.

Any request by Vendor for changes in delivery time shall be considered as invalid unless formally accepted in writing by Purchaser.

The delivery shall not be considered as completed in accordance with the Contract terms and conditions if all the documents necessary for forwarding the Materials and/or software as well as the required technical documentation and certificates have not been received and approved by Purchaser.

The Vendor agrees to start its performance under the Contract promptly after receipt of the Purchase Order and prosecute all phases of the same with promptness and diligence. The Vendor shall guarantee that the Goods are delivered not later than the time of delivery set forth in the Purchase Order.

If the Goods or part(s) thereof are delivered later than the delivery time specified in the Purchase Order, the Vendor shall pay to the Purchaser the liquidated damages set forth in Articles 26 & 27 hereof.

## **9- CONTRACT ACCEPTANCE**

Within five days from the date the Purchase Order is received, Vendor shall send Purchaser the unconditional acceptance of Purchase Order signed and sealed in original.

No payment can be released by Purchaser if the signed and sealed acceptance of Purchase Order is not received by Purchaser.

The Purchase Order is executed in duplicate intending each copy to serve as an original.

The Vendor shall be bound by the Purchase Order and its terms and conditions by signing and returning the duplicate copy of the Purchase Order to the Purchaser or by executing its performance, which shall constitute the acceptance.

## **10- CONFLICT**

In case of any conflict or deficiency among any documents constituting the Purchase Order, it is Vendor's responsibility to give Purchaser a written notice of such conflict or deficiency for

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resolution. If Vendor proceeds any Work without requesting resolution of such conflict or deficiency, then Purchaser's decision as to the governing requirement shall be final, and all costs incurred in correcting Vendor's erroneous interpretation shall be for Vendor's account.

All parts of the Purchase Order are intended to be correlative and complementary, and any works required by one part and not mentioned in another shall be performed to the same extent and purpose as though required by all, at no additional cost to Purchaser. The misplacement, addition or omission of a word or character shall not change the intent of any part of the Purchase Order from that set forth by the Purchase Order as a whole.

## **11- PRIORITY OF DOCUMENTS**

In the event of any inconsistency between the matters contained in the Contract, the portions shall govern in the order of following precedence .The first named being paramount:

- Purchase Order and Attachments
- General Terms and Conditions of Purchase

## **12- MATERIALS SUBSTITUTIONS**

Materials shall be fabricated /manufactured /supplied and delivered in accordance with Purchase Order and all its attachments.

The Vendor shall not substitute the materials specified in the Purchase Order unless otherwise agreed in writing by the Purchaser.

If the words "or equal" are used in the Purchase Order, any proposed equals must be approved in writing by the Purchaser.

## **13- CHANGES**

The Vendor shall make no changes, additions or deletions in the manufacture of the Goods as described in the Purchase Order including but not limited to, specifications, drawings, and other descriptions and conditions contained therein and in related documents without Purchaser's written approval.

Purchaser shall have the right to advise Vendor in writing to make modifications (hereinafter called "changes") on the quantities/weight of Purchase Order's items (increase & decrease) in

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accordance with the provision stipulated in Purchase Order and Vendor agrees to comply with Purchaser's requests.

If any such changes, additions or deletions initiated by the Purchaser affect the cost of manufacture or the time of delivery, the Vendor shall give the Purchaser written notice thereof specifying the change in the cost of manufacture or the time of delivery within two (2) weeks from the date of Vendor's receipt of Purchaser's notice, and the Purchaser shall notify the Vendor within two (2) weeks from the date of Purchaser's receipt of Vendor's notice whether it will pay such cost or request to adjust such cost or agree to such change in the time of delivery or withdraw the changes.

In case of withdrawal of the changes during the above period, the original Contract shall remain unchanged.

In case no notice is given to the Purchaser by the Vendor in response to Purchaser's notice of changes, additions or deletions within two (2) weeks from the receipt of such notice, the Vendor shall be deemed to have accepted such changes, additions or deletions without changing the contract price or delivery time.

#### **14- APPROVAL OF VENDOR'S DOCUMENTS AND DRAWINGS**

As required in the Purchase Order and its related documents, the Vendor shall submit, prior to the commencement of the manufacture of the Goods, the required number of documents and drawings as set forth in Vendor Data Requirements, Instruction for Vendor Documentation, Data Sheet, etc. attached to the Purchase Order.

Those documents and drawings to be approved by the Purchaser shall be submitted with a mark "for approval", and approval shall be indicated by the Purchaser by marking the word "approved" thereon and returning such documents and drawings to the Vendor, if no alteration in design is required.

All drawings, schedules, technical specifications and documents submitted to Purchaser shall be complete and exactly the same as those utilized by Vendor to have the Materials fabricated /manufactured /supplied and assembled and sufficient enough to enable Purchaser itself, and/or through other manufacturers, complete, construct, commission, operate, modify, revamp, improve, repair, maintain, replace and duplicate Materials.

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No substitutions or changes in the approved parts of the design or engineering shall be made by Vendor without Purchaser's prior written approval.

If any discrepancy between the Purchase Order and Vendor's documents and/or drawings is found, the Purchaser will mark and comment on the discrepancy in such documents and/or drawings and return them to the Vendor after marking the word "approved as noted". In such cases the Vendor shall revise the discrepant parts and shall resubmit the revised documents and drawings for the Purchaser's approval.

Attention shall also be given to any special requirements contained in the Purchase Order.

Detail of project vendor document handling procedure has been established in the relevant Procedure.

The Purchaser shall not unreasonably withhold approval of such documents and drawings.

The Vendor shall be responsible for any discrepancies, errors or omissions in the drawings and other particulars supplied by it, whether or not such drawings and particulars have been approved by the Purchaser.

Any contradiction or ambiguity between specifications under the Purchase Order and Vendor's drawings, and the problems thus caused, shall be remedied by Vendor at its own cost.

Purchaser's approval or acceptance of any drawings and documents submitted, or any actions proposed by Vendor shall not relieve Vendor from any of its liabilities, obligations and guarantees stipulated in Contract or adequacy of any of Vendor's information or work incorporated in such document and/or drawings.

In case the Vendor has delayed submitting the required documents and drawings in time, the Vendor shall be considered to pay the liquidated damages according to the agreed rate for the delayed documents and drawings.

## **15- GUARANTEE**

The Vendor shall guarantee that the Goods supplied by the Vendor correspond and conform to the specifications contained in the Purchase Order, that they are brand new and composed of the materials most suitable for their purpose, that they are free of faulty design,

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workmanship and material, and that they are appropriate in all respects, including size, capacity and performance. All workmanship shall be of the highest quality in order to meet all aspects of the operating conditions specified by the Purchaser.

If any defect, error, or omission in the Goods, or any breach of warranty as to design, materials, workmanship, performance or operating characteristics, or any breach of the above warranty, arises or is discovered within twelve(12) months after being placed in specified service but not exceeding twenty four (24) months after the date of shipment . The Vendor shall, upon notice thereof, promptly make such repairs or provide such replacements as may be required to remedy such defect, error or omission at its own expense.

Therefore, in the event that within the foreseen Guarantee Period, any defects should appear which are ascribable to non compliance with the characteristics, specifications and performance requirements, shown in the Contract and/or in the technical specification and/or included in normal good engineering practice and/or in Improper packing & marking, Vendor shall provide at his care and expense without any charges for Purchaser for any repairs and/or replacements and/or modifications of defective Materials and/or software in the shortest possible time including shipment by air.

In case of modifications and/or repairs and/or replacement, Vendor shall obtain Purchaser's prior approval before to proceeding.

The original Guarantee Period for the parts replaced shall be extended for twelve (12) months from the replacement date.

Should the Materials and/or software, notwithstanding such modifications and/or repairs, still fail to comply with the specified requirements, they shall be replaced at Vendor's sole care and expense within a reasonable length of time to be advised by Purchaser.

If defects are found and Vendor is not in a position to take the necessary remedial actions within the time required by Purchaser and agreed upon for each case according to Purchaser's requirements, Purchaser shall have such remedial actions taken by others and the resultant expenses shall be charged to Vendor.

It is understood that also in this case Vendor shall not be relieved of contractual guarantee obligations.

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In the event that Vendor fails or refrains to fulfill any liabilities, obligations and guarantees undertaken under the Contract, Purchaser shall be entitled to withdraw the cost of related damages from the good performance guarantee for the Contract or the increase thereof, from any amounts due to be paid by Purchaser to Vendor and, in case of inadequacy, claim the remainder on Vendor.

The above guarantees do not cover Materials, which is not treated or operated in accordance with the operating and maintenance instructions. Accordingly, Vendor shall not be liable for the Materials, which is mistreated or mishandled through excessive operating conditions beyond the design limits nor for the normal wear and tear of Materials.

## **16- BOND**

### **16- 1- Performance Bond**

As security for the foregoing execution guarantee, the Vendor shall establish, at its own expense, a performance bond in the form of a letter of **bank guarantee** acceptable to the Purchaser not later than thirty (30) days after the issue date of the Purchase Order.

Effectiveness of purchase order is subjected to receiving approved Bank Guarantee. If the Purchaser does not receive the performance bond by the time, the Purchaser may withhold any payment due to the Vendor under the Contract.

The performance bond shall be valid up to one month after termination of guarantee period.

The value of this performance bond shall be ten (10) percent of the contract price.

Wording of the performance bond is provided in Article 59.

### **16- 2- Advance/ Interim Payment Bond**

As security for the guarantee of advance/ Interim payment, Vendor shall establish, at its own expense, an advance/ interim payment bond in the form of a letter of **bank guarantee** acceptable to the Purchaser before invoicing of advance/ Interim payment.

The advance/ Interim payment bond shall be valid up to One (1) month after the date of shipment.

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The value of this advance/ interim payment bond shall be one **hundred (100) percent** of advance/ interim payment amount.

## **17- EXPEDITING**

### **17- 1- Planning**

Within two (2) weeks of the date of the Purchase Order/Letter of Intent, Vendor shall send Purchaser, a detailed planning of the design, manufacturing, testing and delivery of Materials and/or software and relevant service activities stated in the Contract.

This planning shall be based on the delivery time stated in the Purchase Order and shall include the list of the main sub-orders that Vendor expects to place and their date of issue.

Any variation or modification to the planning shall be notified to Purchaser in writing and in due time.

Un-priced copy of all main sub-orders shall be kept at the disposal of Purchaser's inspectors in Vendor's offices for checking or taking off.

Purchaser shall have the right to request and receive one un-priced copy of all sub-orders.

Vendor shall notify Purchaser 15 days in advance the weights and dimensions of the packages as per Shipping Instruction document in order to allow transport arrangements to be made.

### **17- 2- Manufacturing**

The Vendor shall submit, where applicable, a manufacturing schedule within two (2) weeks of the date of the Purchase Order/Letter of Intent and follow-up progress reports at the middle and end of each month. The manufacturing schedule and progress reports shall include the following information:

17.2.1 The status of delivery of raw materials purchased or to be purchased by the Vendor from its Sub-Vendors, if any.

17.2.2 The progress of engineering work including estimated percentage of completed engineering work.

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17.2.3 The progress of manufacturing work including details of the completed and uncompleted manufacturing works and an estimated percentage of completed manufacturing work.

17.2.4 An updated manufacturing progress against the schedule.

When it is deemed necessary by the Purchaser or PMC, the Contract shall be subject to expediting by the Purchaser and/or PMC. The Purchaser, PMC and their representatives shall be granted access to any and all parts applicable, Vendor's and its Sub-Vendor's offices and/or shops engaged in the manufacturing of the Goods or processing of the Contract.

Expeditors of Purchaser and/or PMC and/or those appointed by them will carry out the expediting of the orders by visiting or otherwise contacting Vendor.

Upon request by Purchaser / PMC, Vendor shall appoint a person (Vendor's coordinator) responsible for providing complete and reliable information on the Contract status.

The information will include supply planning, design and work progress, issuance and progress of any sub-orders, critical sub-orders and expected delivery dates.

Vendor shall forward at regular intervals to Purchaser/ PMC an up-to-date and detailed report on sub-orders status, especially for critical sub-orders.

The expediting of sub-orders shall be full and specific responsibility of Vendor.

Purchaser/ PMC reserves the right to take direct action in expediting sub-orders where they deem it necessary.

Vendor shall take all possible steps in respect of sub-contractors and within his own organization to prevent any delay or to recover any delay in the contractual delivery terms.

Un-priced copies of Vendor's purchase orders to its Sub-Vendors for equipment or materials in connection with the Contract shall be made available to the Purchaser and/or PMC upon request.

Expediting by the Purchaser and/or PMC shall in no way relieve the Vendor of its obligations as to the time of shipment specified in the Purchase Order.

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## 18- INSPECTION AND TESTS

All inspection and tests shall be made in accordance with the Material Requisition, Inspection Procedure, and/or special requirements attached to or contained in the Purchase Order. The Purchaser reserve the right to access freely at all times to the shop where fabrication or inspection and test on equipment and materials are being performed.

Purchaser may also carry out inspections during the progress of the supply to follow up the most important phases of design and manufacture and this shall not be considered as a reason of delay for interference in the production and/or in Vendor's activities.

Checks and tests may also be witnessed by inspectors from official institutions of the country of destination of the Materials and/or software or from institutions appointed by them.

The Vendor shall provide necessary equipment, facilities and skilled personnel for specified inspection and test to Purchaser's inspectors with free of charge. All costs and expenses incurred by the Vendor and its Sub-Vendors in connection with inspections and tests shall be borne by the Vendor or its Sub-Vendors.

Any required inspection such as code inspection, statutory inspection and governmental regulations must be arranged by the Vendor to obtain necessary certificates / stamp from an appropriate authority at Vendor's responsibility and expenses, unless otherwise specified.

Any delays ascribable to the official institutions shall not be considered as Force Majeure.

It will be Purchaser's right to ask Vendor for a "Pre-Inspection Meeting" in order to discuss in detail the construction, checking and test plan issued by Vendor according to the applicable specifications.

Any waiver of tests and/or checks witnessing by Purchaser shall be notified to Vendor in writing only.

In this case, Vendor shall provide to carry out the checks and tests required, informing Purchaser about the final results.

The Vendor shall notify the Purchaser of the date and place of inspection at least twenty (20) days prior to the date of actual inspection.

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Any inspection or failure to inspect by the Purchaser shall neither relieve the Vendor of any responsibility or liability with respect to the Goods nor be interpreted in any way to imply acceptance thereof by the Purchaser.

Records and/or certificates of each inspection and/or test shall be submitted by the Vendor to the Purchaser, regardless of Purchaser's attendance or nonattendance at such inspection and/or tests, in accordance with the requirements contained in and/or attached to the Purchase Order.

In addition, any additional expenses incurred by the Purchaser due to reasons attributable to the Vendor such as misinformation on inspection date or re-inspection shall be borne by the Vendor.

Any costs of inspections, checks and tests, preparation of the relevant documentation, issuance of analysis and/or check certificates by qualified laboratories, shall be borne by Vendor and shall not be considered as reason of Contract amount modification.

The presence of Purchaser's inspectors and/or of those appointed by them does not relieve Vendor of any of his responsibilities.

Inspections may be extended to cover packing and marking and Pre-Shipment.

All other detail procedure, rules and regulation related to inspection of goods explained in **Project Inspection Procedures**.

## **19- QUALITY ASSURANCE AND CONTROL**

The Vendor and its Sub-Vendors shall have or shall implement a quality assurance system complying with the intent of the elements described in ISO 9001 or 9002, and the quality assurance system is subject to approval of the Purchaser prior to commencement of the work.

As a minimum the fully implemented quality system shall include all activities of the overall management function that determine the quality policy, quality objectives, and responsibilities appropriate thereto.

Quality system management shall be implemented by means such as quality planning, quality assurance, quality controls and quality improvement.

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## 20- ENVIRONMENTAL MANAGEMENT

The Vendor and its Sub-Vendors shall have or implement the following environment aspects on their business:

20.1 To supply environmental friendly materials and services.

20.2 To research and develop new environmental technologies continuously and to apply these technologies on manufacturing.

20.3 To consider of the environmental impact in design for emission to air, release to water, waste management, noise, vibration, toxicant contamination of land, etc.

20.4 To minimize the using of packing material in injury on environmental.

## 21- PACKING AND MARKING PROCEDURE

All equipment items and other materials shall be export-packed in compliance with the best established practice for overseas construction with the following directives. The minimum requirements of Packing and Marking have been established in Packing, Marking and Shipping Procedure.

Unless the Vendor advises the Purchaser in writing to the contrary the unit prices shown in the Purchaser's order shall include the labeling of individual items, the marking of packages to Purchaser's requirements and delivery to port of loading or on to carrying vehicle at point of loading in accordance with the terms of the Purchaser's order.

In addition to marking of all packages to Purchaser's requirements under certain circumstances the Vendor will be required to specially mark individual items of plant and/or equipment with erection and/or assembly markings to facilitate the erection and/or assembly of such plant and/or equipment at site by the Purchaser.

In addition to the marking of packages to Purchaser's requirements as shown in the Purchaser's order the Vendor is at liberty to add where required "fragile"/slings here'/ use not hooks' etc.

No indication may be given on the outside of packages of the contents of such packages nor of the name of the Vendor supplying the contents. In addition to the foregoing the Purchaser

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may request and require the Vendor to mark packages with a color mark, such color code being for own internal use or indicating the port of discharge. Such color code in no way replaces nor does it relieve the Vendor of the responsibility of marking materials in accordance with the color code required by national or international standards, universal usage or specifically to the Purchaser's own requirements if so stated in the Purchaser's order.

## **22- PREPARATION FOR SHIPMENT**

Packing, marking, preservation, and shipping of the Goods shall be performed by the Vendor in a manner adequate to withstand transportation to the Plant Site in accordance with the requirements contained in the Purchaser's Packing, Marking and Shipping and Equipment Preservation Instructions, if any, attached to the Purchase Order.

The Vendor shall be responsible for any loss or damage caused to the Goods by improper packing, preservation or shipping and shall at its own expense including export packing and transportation costs to the Plant Site, and as promptly as possible, make all repairs to or replacements of the Goods necessary to remedy any such loss or damage.

## **23- SHIPMENT**

When Vendor is to ship Materials by its own arranged carrier, Vendor shall ship the Materials by the first available carrier and shall notify Purchaser of such shipment and submit the shipping documents to the Purchaser in accordance with the Purchaser's Packing, Marking and Shipping Procedures.

First priority should be given to Iranian shipping vessels.

When Vendor is to ship Materials by a carrier arranged or nominated by the Purchaser, at least 60 days before the date when Vendor intends to ship, Vendor shall notify the Purchaser, of such date along with Purchase Order Number, Item Number, Description of Shipments, Number of Packages, Total Gross Weight and Volume and Place of Loading. The Purchaser shall notify the name of the carrier and its estimated time of arrival at the loading place.

In the event that a delay in loading caused by Vendor results in detention of the vessel, Vendor shall be liable for any resulting demurrage, and dead freight. Should the Purchaser,

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not provide a vessel at the advised date of shipment, Vendor shall undertake to store the Materials for thirty (30) days at Vendor's expense from the advised date of shipment. Upon expiration of the above thirty (30) days, the Materials shall be stored by Vendor at the Purchaser's account.

## **24- INSPECTION AT OFF-LOADING**

According to the Purchase Order, If the Vendor has obligated to delivery all the goods at the Plant Site, the Purchaser and/or PMC shall have the right to conduct or cause a representative to conduct an Open Package Inspection of all the Goods at the Plant Site, at the time of off-loading or at any other time deemed appropriate by the Purchaser and/or PMC.

The Open Package Inspection shall be performed by the Purchaser, PMC or their representatives by checking the Goods against the packing list prepared by the Vendor. Any inconsistency or discrepancy between the Goods and packing list found by the Open Package Inspection shall be deemed and considered as shortage, loss or excess in Vendor's supply.

The Vendor may dispatch its personnel or representative to the Plant Site to witness the Open Package inspection, at its own expense. If the Vendor intends to cause the inspection to be witnessed, the Vendor shall notify the Purchaser thereof prior to the shipment of the Goods. If such notice is given by the Vendor to Purchaser, the Purchaser shall notify the Vendor of the date on which it intends to conduct the Open Package inspection at least ten (10) days prior to such date.

If any shortage, loss or damage attributable to the Vendor is found at the time of the Open Package inspection, and the Purchaser advises the Vendor thereof, the Vendor shall at its own expense including export packing and transportation costs to the Plant Site, and as promptly as possible, make all repairs to or replacements of the Goods necessary to restore such shortage, loss or damage.

Any determination by the Purchaser as to shortage, loss or damage shall be binding upon the Vendor absent manifest error.

## **25- INDEMNIFICATION AND REMEDIES**

25.1 Vendor agrees to defend, indemnify and hold harmless the Purchaser and/or Company,

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the affiliated companies of each, and their directors, officers, employees, agents and representatives, from and against any and all claims, demands, causes of action, liability, loss or expense arising from or relating to any actual or asserted:

- (a) Loss of or damage to the Materials and/or property of and/or death or injury to any third party, arising directly or indirectly out of or in connection with the performance of the Purchase Order regardless of the cause or causes thereof.
- (b) Failure by Vendor to comply with any Applicable Law or with this Purchase Order. This Article (25.1 b) includes, but not limited to, fines or penalties by government authorities and claims arising from Vendor's actual or asserted failure to pay taxes.
- (c) Injury to or death of persons (including employees of Purchaser, Company, Vendor and Vendor's sub-vendors) or from damage to loss of property (including the property of Purchaser or Company) arising directly or indirectly out of this Purchase Order or out of any act or omission of Vendor or its sub-vendors. Vendor's defense and indemnity obligations hereunder include claims and damages arising from non-delegable duties of Purchaser Or Company or arising from use by Vendor of construction equipment, tools, scaffolding or facilities furnished to Vendor by Purchaser Or Company.
- (d) Contamination, pollution, or public or private nuisance, arising directly or indirectly out of this Purchase Order or out of any acts or omission by Vendor or its sub-vendors.
- (e) Vendor will be required to indemnify the Purchaser against any or all claims by third parties under any Act or Acts applicable up to the point where the Vendor's responsibility shall have ceased in accordance with the terms of the Purchaser's purchase order.

25.2 Vendor's indemnity obligations shall apply regardless of whether the party to be indemnified was concurrently negligent, whether actively or passively, excepting only where the injury, loss or damage was caused solely by the negligent or willful misconduct of, or by defects in design furnished by, the party to be indemnified. Vendor's defense and indemnity obligations shall include the duty to reimburse any attorneys' fees and expenses incurred by the Purchaser Or Company for legal action to enforce Vendor's indemnity obligations.

25.3 In the event that any indemnity provisions in this Purchase Order are contrary to the Applicable Laws, then the indemnity obligations applicable hereunder shall be construed to be to the fullest extent allowed by Applicable Laws.

25.4 With respect to claims by employees of Vender or its sub-vendors, the indemnity obligations under this Purchase Order shall not be limited by the fact of, amount, or type of benefits or compensation payable by or for Vendor, its sub-vendors under any workmen's compensation, disability benefits, or other employee benefits acts or regulations, and Vendor waives any limitation of liability arising from workmen's compensation or such other acts or regulations.

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25.5 Any rights and/or remedies reserved to Purchaser in the Purchase Order shall be cumulative and in addition to any other or further rights and/or remedies available under the Applicable Laws or in equity.

## **26- LIQUIDATED DAMAGES**

26.1 Without prejudice to any other rights of Purchaser stipulated in the Purchase Order, should Vendor fail to complete the delivery of the Works and/or Materials within the delivery date(s) set forth in the main part of the Purchase Order, Purchaser shall have the right to apply the liquidated damages (not as a penalty) specified in the “Special conditions of Purchase”, whereupon Vendor, without any prior formal notice or demand from Purchaser or any demonstration of loss by Purchaser, shall pay Purchaser liquidated damages for such failure as stipulated in the “Special conditions of Purchase”.

26.2 Should the Purchase Order include a price revision condition, the Liquidated Damages shall be calculated on the basis of the revised price.

26.3 Even though the Purchaser extends shipping date listed in letter of credit to facilitate the shipment of the Goods by the Vendor, delivery date described in the Purchase Order shall not be considered extended if the delay of delivery is not attributable to the Purchaser.

26.4 The liquidated damages shall not be deemed to represent a penalty and shall constitute full and complete payment for such losses due to the delay in delivery by the Vendor.

## **27- PENALTIES AND LIQUIDATION**

In case of the non-observance of contractual delivery time and documents presentation, Goods and spare parts which is as stipulated in the Purchase Order, the Vendor shall pay the Purchaser the delay penalty at the rate of 1% (one percent) of the value of the undelivered Goods for each full week of delay. The total sum of these delay penalties except for damages or losses shall not exceed 10% (ten percent) of total value of the Goods.

Documentation Penalty: 0.1% of the total amount of the Purchase Order per each complete week of delay for documentation up to a maximum of 1% of the total amount of the Purchase Order.

Any damage, loss or expense incurred by the Purchaser as a result of the termination stipulated in Phrase 8 shall be paid by the Vendor upon demand.

Even if the Purchaser cancels or terminates the Purchase Order in accordance with the provision of Article 41, Paragraph 41.1 item a) and b) and Paragraph 41.2, he retains the right to claim any kinds of damages, losses, or expenses arising out of or resulting from such cancellation and shall be relieved from any further obligation to the Vendor hereunder and the Vendor shall be bound to reimburse the Purchaser for all these claims.

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## **28- ASSIGNMENT**

The Vendor shall not assign or sublet the Contract in whole or in part without prior written consent of the Purchaser. The Vendor shall not assign any payment due from the Purchaser without Purchaser's prior written consent.

## **29- SUB-CONTRACTING**

**Vendor is not allowed to, sub-contract nor to assign to third parties the Contract or any part thereof without Purchaser's prior written consent.**

Where Purchaser grant Vendor authority to sub-contract to third parties in whole or in part, the sub-order shall include adequate guarantees, also concerning compliance with delivery time and compliance with the technical specifications under the Contract, as well as compliance with the regulations for social security, insurance and/or occupational accidents.

Notwithstanding Purchaser's consent to sub-contract, Vendor shall not be relieved of any of his responsibilities arising from the conditions of the Contract and relevant attachments.

If during the progress of the supply in Purchaser's opinion sub-contractors appears unfit to execute the works or the progress of works is such as to jeopardize the scheduled completion within the agreed contractual time, Purchaser shall have the right to instruct Vendor in writing to terminate the sub-contract as soon as possible.

## **30- SUPERVISING & TRAINING SERVICES**

The Purchaser and/or PMC shall have the right to require the Vendor to furnish additional supervising and training services at Vendor's facilities and/or the Plant Site. The cost and duration and other conditions of such supervising and training services shall be mutually agreed upon by the Vendor and the Purchaser.

When required by Purchaser, Vendor shall organize training courses for Purchaser's technical personnel.

Such courses shall be held at Vendor's workshops or at Purchaser's workshops or offices, at Purchaser's discretion.

The terms and conditions of the training services are stated in the Purchase Order and in the technical specifications if needed.

## **31- ERECTION PERSONNEL**

When required by Purchaser and/or PMC, Vendor shall provide qualified technical personnel

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at Site to assist Purchaser during erection, commissioning, start-up and operation of the supplied Materials and/or software.

Vendor shall quote daily rates for erection personnel, if the rates are not stated in Purchase Order, for the commissioning period of supplied Materials and/or software at Site.

The personnel required, the services duration and relevant dates shall be advised by Purchaser duly in advance.

### **32- LIEN**

The Vendor agrees to deliver the Goods free and clear of all liens, encumbrances and claims whatsoever, and if liens, encumbrances or claims are attached to the Goods, the Vendor agrees to indemnify and hold the Purchaser harmless from and against such liens, encumbrances or claims.

Vendor shall protect, indemnify and keep Purchaser harmless at all times from and against any and all liabilities for payment of the amount of any liens claimed by any of Vendor's/sub-contractors or for Materials and/or software and/or labor and/or services in connection with Vendor's work and also Vendor shall protect, indemnify and keep Purchaser harmless at all times from any physical damages to property of third party or injury to any person including death which is resulted directly or indirectly from the activities under the Contract.

If at any time Purchaser and/or PMC receive notice of any such lien or claim thereof which would constitute a legal charge upon Purchaser's property and/or PMC's property, Purchaser and/or PMC shall forthwith inform Vendor.

In case Vendor fails to pay or does not satisfy such claim within a period of fifteen (15) days after receipt of such notice, Purchaser shall have the right to deduct and retain a sum, necessary to discharge such lien or claim, out of any payment due by Purchaser to Vendor until such lien or claim is paid, discharged or released.

### **33- PATENTS**

The Vendor agrees to defend at its own expense the Purchaser, PMC and any other users of the Goods against any suits or actions based on alleged infringement of patent or invention rights, copyrights, trademarks, agency, design, utility model, or trade secrets arising from the manufacture, sale or use of the Goods. Also, the Vendor agrees to hold the Purchaser, PMC and any other users of the Goods harmless from and against any loss, liability, cost, damage or expense incurred by any of them in connection with such suits or actions.

The Purchaser and PMC have the right to participate in defense of such suits or actions or, if they so, to select thereof with their own counsel at the expense of the Vendor.

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### **34- AFFIDAVIT**

A prescribed form of affidavit will be obtained from the Vendor where applicable. Guidelines for completion together with the said form will be attached to relevant enquiries Vendors ability and willingness to comply will be essential to consideration of offers which must be endorsed to that effect.

### **35- DISPOSITION OF BUSINESS**

No information will be divulged regarding the disposition of any business resulting from this enquiry, meanwhile we do not bind ourselves to accept any quotation and reserve the right to accept a part or whole thereof.

### **36- NON-DISCLOSURE AND PUBLICITY RELEASE**

Any specifications or other information provided to the Vendor by the Purchaser shall be treated as confidential, shall be used only for the purpose of the performance of the Contract and shall not be reproduced in whole or in any part of it for any other purposes.

The Vendor shall ensure that such information and specifications are not divulged to any third party except where necessary for the performance of Vendor's obligations under the Contract. In such cases, the Vendor shall have such third party undertake a similar obligation of confidentiality. This obligation does not apply to information, which at the time of disclosure is in the public domain or is in Vendor's lawful possession without restrictions on disclosure.

Vendor shall not issue any publicity releases relating to this Contract unless approved in writing by Purchaser.

### **37- PERMITS AND CERTIFICATES**

The Vendor shall procure, at its own expense, all necessary permits, certificates, and licenses required by all applicable laws, regulations, ordinances and other rules in effect in any place where any of the work is to be performed. In addition, the Vendor shall hold the Purchaser and PMC harmless from liability or penalty, which might be imposed by reason of any asserted or established violation of such laws, regulations, ordinances, or other rules.

### **38- TAXES AND DUTIES**

All taxes of any nature including, but not limited to, individual income tax and duties levied and/or to be levied to the Vendor and its Sub-Vendors in the country of the Vendor and/or its Sub-Vendors shall be borne by the Vendor.

Vendor shall provide and pay for all necessary licenses, fees, taxes, duties and levies imposed in the country of manufacture and/or delivery in respect of the terms of delivery and supply of the Materials and/or software relevant to the Contract so that the price or any part thereof shall not be increased due to any or all of these factors.

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### 39- INTERPRETATION OF TRADE TERMS

The interpretation of trade terms in the Purchase Order shall be in accordance with "INCOTERMS 2010" and /or "INCOTERMS 2020".

### 40- FORCE MAJEURE

40.1 Any delay in or failure of performance by Vendor to the Contract shall not constitute default hereunder or give rise to any claims for liquidated damages or other remedies or liabilities against Vendor if and to the extent caused by matters beyond the control of Vendor and not caused by Vendor, including, but not limited to acts of God, acts of governmental authority, earthquake, floods, explosion, riots, the direct or indirect consequences of war (declared or undeclared), terrorism, rebellions, sabotage, strikes (excluding strikes of Vendor's and/or Sub-vendor's personnel), national emergency, civil commotion, export or import restrictions and/or extraordinary storm or severe weather by comparison with published records.

As long as Vendor is not inflicted by Force Majeure, no event of Force Majeure suffered by sub-contractors shall be recognized as a reason for extending the delivery time stated in the Purchase Order.

Likewise, under similar situations, no event of Force Majeure shall give rise to any claim for direct and/or indirect additional costs or damages borne by Vendor or by his sub-contractors.

Vendor shall notify Purchaser, immediately after the event, by fax and Email to be confirmed by registered letter, the date of occurring and the date of termination of any event of Force Majeure.

Vendor shall forward to Purchaser all necessary supporting documentation together with a certificate signed by the local Chamber of Commerce confirming the event of Force Majeure.

Failure to notify Purchaser shall prevent Vendor from exercising his rights under this clause.

40.2 In case of Force Majeure events causing delay in completion times, the Purchaser and Vendor shall agree upon ways and means to remedy or offset the delay and ways and means of preserving and safeguarding the Units. In case the Purchaser instructs the Vendor to undertake remedial measures beyond normal practice such as, but not limited to changes to the current design of the Unit or to ordered Materials, the cost of such measures taken beyond normal practice on the request of the Purchaser as aforesaid, shall be borne by Purchaser.

40.3 If the Force Majeure in accordance with this clause lasts for a period of more than ninety (90) days, the parties shall meet and discuss the most feasible measures to be taken. If an agreement cannot be reached, the case then may be submitted to arbitration.

In the event of termination, Purchaser will pay Vendor for all Materials that can be delivered and which can be utilized by Purchaser.

Purchaser reserve the right to claim repayment of any amount already paid to Vendor in

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excess of that which is due.

## 41- CANCELLATIONS OF ORDER

41.1 The Purchaser has the right to cancel the Purchase Order in whole or in part in the following cases:

- a) The Vendor is not in a position to supply the Equipment within the contractual delivery time because of reasons attributable to the Vendor or fails to remedy the nonconformity of the Goods to the Purchase Order within a reasonable time prior to delivery.
- b) The Vendor fails to execute his guarantee obligations stipulated in Article 15.
- c) The Purchaser may at any time by giving written notice to the Vendor cancel any order in part or whole prior to the P.O. effectuation and the relevant Advance Payment without assigning any reason.
- d) But if after the P.O. effectuation & advance Payment, the order is canceled by the Purchaser the Vendor shall be fairly compensated for all the work carried out and/or completed in respect of such orders if Vendor claims within a reasonable time.

41.2 If however, part or the whole of any order is canceled due to the Vendor failing to carry out the order with due diligence, or refusing or neglecting to comply with Purchaser's written instructions embodied in the order or otherwise the Purchaser may without prejudice to other rights under the Purchase Order, require the Vendor to indemnify the Purchaser for all losses or damages resulting there from including costs in connection with the bank charges in any payments etc., replacement of the whole or part of the said order by fast deliver , and/or any other charges whatsoever.

## 42- SUSPENSION OF THE CONTRACT

At any time, Purchaser may, instruct Vendor to suspend in whole or in part the Contract by giving written notice.

In this event Vendor shall stop work on such part as is stated in the notice on the date stated in the notice, but shall continue to perform any unsuspended part of the work.

If any period of suspension so instructed exceeds ninety (90) consecutive days, Vendor may request Purchaser either to terminate the Contract or terminate the suspended part of the Contract in accordance with Clause 32. If Purchaser does not within forty five (45) days of receipt of Vendor's request either terminate the Contract or terminate its obligations with respect to the suspended part of the Contract then Vendor may terminate the Contract or terminate its obligations with respect to the suspended part of the Contract, as the case may be, by written notice to Purchaser.

## 43- TERMINATION

43.1 Termination for Vendor's Default

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The Purchaser may terminate the contract in whole or in part, by giving ten (10) days prior notice of default to the Vendor in writing without compensation to the Vendor under any of the following circumstances:

43.1.1 If the Vendor fails to perform or deliver the goods within thirty (30) calendar days from the time(s) specified in the Purchase Order.

43.1.2 If the Vendor fails to comply with other provisions of the Purchase Order and does not cure any such failure within a period of ten (10) days after receipt of notice from the Purchaser specifying such failure.

43.1.3 If the Vendor becomes insolvent or makes a general assignment for the benefit of creditors or files/has filed against it a petition of bankruptcy or reorganization, or pursues any other remedy under any other law relating to relief for debtors.

In the case of Contract termination under the provisions of this clause, Vendor shall either immediately or upon such other date as is specified in the notice:

- Discontinue the Contract and cancel obligations not assigned to Purchaser.
- Deliver to Purchaser the Materials so far completed or paid for.
- Deliver to Purchaser all drawings, schedules, specifications, and all other documents prepared by Vendor (or Vendor's purchase sources), and/or submitted to Vendor by Purchaser
- Assign to Purchaser all rights under Contract or related sub- purchase orders/contracts.

In the event of such termination, the Purchaser may purchase similar supplies from other Vendors, and the Vendor shall be liable to the Purchaser for any excess cost to the Purchaser.

Purchaser in the event of such termination and subject to the provisions of this clause shall pay to Vendor only for the Materials and/or software already delivered, for the Materials and/or software which can be utilized by Purchaser and for the work executed by Vendor prior to termination.

The works executed shall be provided with documentary evidence relevant to the Materials and/or software and/or works stated by the Contract.

Purchaser reserves the right to withdraw compensation for Vendor's default from those payments due to Vendor or in case of inadequacy, claim the remainder on Vendor.

Purchaser shall not pay any amount to Vendor for any claim for damages, expenses, and loss of profit and for any other cost arising from the termination due to Vendor's default.

#### 43.2 Termination by Purchaser for Convenience

The Purchaser may at its option at any time, regardless of force majeure events, terminate the Contract in whole or in part by giving ten (10) days prior notice to the Vendor in writing. Upon receipt of such notice, the Vendor shall promptly discontinue any further performance under the Contract, except as may be necessary to protect work already completed as may be requested by the Purchaser.

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In case of such termination, Vendor shall either immediately or upon such other date as is specified in the notice:

- Discontinue the Contract and cancel obligations not assigned to Purchaser.
- Deliver to Purchaser the Materials so far completed or paid for.
- Deliver to Purchaser all drawings, schedules, specifications, and all other documents prepared by Vendor (or Vendor's purchase sources), and/or submitted to Vendor by Purchaser.
- Assign to Purchaser all rights under Contract or related sub- purchase orders/contracts.

In case of such termination, the Vendor shall, at Purchaser's request, turn over to the Purchaser any or all of the Goods, all drawings, specifications, data sheets and other information that the Vendor has prepared relating to the Goods, and all materials, supplies and equipment paid for by the Purchaser either directly or indirectly, and the Purchaser shall have the right to make use of the same for such purchases as the Purchaser may desire.

In the event of termination, the Purchaser shall pay to Vendor for the work, against presentation of documentary evidence by Vendor, only the actual costs incurred by Vendor and which are proved to be directly ascribable to the Contract or at a rate of percentage to be agreed upon by both parties.

Purchaser shall not pay any amount to Vendor for any claim for damages, expenses, and loss of profit and for any other costs arising from the termination under this clause.

It is understood that in determining the amount of payment, the anticipated loss of profits of the Vendor from the work not yet performed shall not be taken into consideration.

All claims of the Purchaser against the Vendor, including without limitation claims on account of defects in engineering, procurement, construction, materials and/or workmanship, shall be deducted from the payment due to the Vendor.

#### **44- VENDOR'S PERSON IN CHARGE**

The Vendor shall notify the Purchaser and/or PMC in writing of the name of a representative of the Vendor, who will be responsible for the implementation of the Contract, along with such person's address, telephone number, fax number, e-mail address and any other necessary information.

#### **45- NOTICE AND COMMUNICATION**

All notices and communications to be delivered to either the Purchaser or the Vendor in connection with the Contract shall be in English, in writing, by fax or e-mail in which case the same shall be confirmed by a letter, if so requested by the recipient. Any notice provided hereunder shall be deemed to be received.

Any notice, instruction, notification, agreement, authorization, rejection, approval and acknowledgement to be given by a party to and under the Contract:

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- a) Shall be in writing and signed by or on behalf of the party giving it,
- b) May be served by leaving it at, or sending it by facsimile, prepaid and registered mail (in the case of international mail, by air) to, the address and attention of the relevant party set out in Contract
- c) Shall be deemed to have been received:

In the case of facsimile at the time of dispatch

In the case of delivery by hand at the time of delivery

In the case of domestic mail, 48 hours from the date of mail registration

In the case of international mails, five (5) days from the date of mail registration

All Vendor's correspondence shall be in accordance to Coordination Procedure with Vendor.

#### **46- ENTIRE AGREEMENT AND MODIFICATION**

The Purchase Order, this General Terms and Conditions of Purchase, and the other documents constituting the Contract, the entire agreement between the Purchaser and Vendor and supersede all previous agreements relating to the subject matter of the Contract may not be modified except in writing signed by the authorized representative of both parties.

With the acceptance of the Contract, Vendor waives and considers as void all and any of Vendor's general and specific sales conditions

#### **47- GOVERNING LAW**

The validity and interpretation of the Contract and the legal relationship of its parties shall be governed by the laws of Islamic Republic of Iran or Swiss laws, without regard to principle of the conflict of laws.

#### **48- ARBITRATION**

All disputes, controversies, or differences, which may arise out of or in relation to or in connection with the Contract, or for the breach thereof, shall be amicably settled between the Purchaser and the Vendor.

Any eventual dispute will be solved amicably otherwise will be referred to Iranian courts for settlement.

Any dispute arising out of or in connection with the Contract, which cannot be settled amicably by the parties in accordance with the provisions of the Contract, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC).

Manging Director of Petrochemical Industries Investment Company ([www.piicgroup.com](http://www.piicgroup.com)) shall be arbitrator. The arbitration shall be conducted at a location in Tehran, agreed upon between the parties, and the arbitral award shall be final and binding on both parties. The arbitral award shall also determine the expenses of the arbitration and the party, which shall bear them or the proportion of such expenses to be borne by each party.

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Arbitration shall not prevent Vendor from continuation of the works.

#### **49- CONSEQUENTIAL LOSS**

Vendor shall not be liable to Purchaser (and/or PMC), whether in Contract, in tort or otherwise at law, for any loss of profit, consequential loss or damage except the following:

- Liquidated damages
- Loss or damages caused by the reckless or wilful act or omission or gross negligence of Vendor.

Purchaser (and/or PMC), shall not be liable to Vendor for any special, indirect or consequential loss and damage, except if and to the extent the losses in question are caused by the reckless or willful act or omission of Purchaser.

For the purposes of above-mentioned, an act or omission is reckless if the consequences thereof involve an obvious and serious risk of loss or damage and are ignored in a wanton or wilful manner and an act or omission is wilful if the consequences thereof were foreseen and intended.

#### **50- PASSING OF PROPERTY**

Title in respect of all drawings, specifications, requisitions, Project specific calculations and other documents furnished by or through Vendor under the Contract shall be in the name of Owner and to the property of the Materials and/or software to be supplied under the Contract will pass to Purchaser when the same are delivered by Vendor at the delivery point indicated in the Purchase Order.

#### **51- JOINT AND SEVERAL RESPONSIBILITY**

Where the Materials and/or software or any part thereof are to be used jointly with other supplied by another manufacturer(s), Vendor and the other manufacturer(s) shall be held jointly and severally responsible for the satisfactory operation of the entire group or section thereof. Such responsibility shall include the technical and mechanical characteristics set out in the specifications and in particular the conditions of mechanical coupling, dynamic moment and starting moment. The name of the other manufacturer(s) shall be made available to Vendor by Purchaser and Vendor shall establish and maintain all necessary contacts with such manufacturer(s) to ensure the exchange of all relevant data and information and shall give such manufacturer(s) the fullest possible co-operation.

#### **52- LABOR RELATION**

The Vendor shall advise the Purchaser promptly in writing of any labor disputes, which, if deemed, may affect its performance under the Contract.

#### **53- COMPUTATION OF TIME**

Time, if stated in number of calendar days, will include all Holidays.

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## **54- NON-WAIVER**

Waiver by Purchaser of any provision of the Purchase Order shall not constitute a waiver as to any other provision, and shall not affect the rights of Purchaser to thereafter exercise any rights or remedy in the event of any other default, whether similar or not.

The failure of the Purchaser to insist upon strict performance of any of the terms and conditions of the purchase order shall not be deemed a waiver of any rights or remedies that it shall have and shall not be deemed a waiver of any subsequent default of such terms and conditions. The dispatch or receiving of any material under the purchase order shall not be deemed a waiver of rights for any prior failure to comply with any of the provisions of the purchase order.

## **55- EVENTS NOT WITHIN CONTROL OF PURCHASER**

If by reasons of fire, earthquake, flood, explosion, accident, difference with or inability to secure workmen, shortages of energy, equipment, labor, production shut down or curtailment, lack of facilities, act of God or of voluntary or involuntary compliance with any law, order, regulations, request or recommendation of any government agency or authority or other cause beyond the immediate and direct control of Purchaser's whether or not of the kind or nature hereinbefore specified, Purchaser shall be delayed in whole or in part taking any delivery or deliveries of materials, Purchaser may, by giving written notice to the Vendor:

- A.** Cancel this purchase order in whole or in part as to any undelivered portion of such materials; or
- B.** Suspend, in whole or in part deliveries of materials during the continuance of and to the extent of such cause.

## **56- GENERAL TERMS GIVE MAY TO SPECIAL**

In the event of there being conflict between any of these General Conditions and any other elsewhere in the purchase order such other terms shall prevail.

## **57- TERMS AND CONDITIONS**

No terms or conditions set forth in quotations, correspondence or other communications from the Vendor to the Purchaser shall annul, amend or vary any of the General Conditions of Purchase set forth above unless approved by the Purchaser in writing.

## **58- CONDITIONS FOR SITE PERSONNEL (If Applicable)**

The working hours at job-site shall be normally ten (10) hours per day for six (6) days totaling 60 hours per week, except where the nature of the work dictates otherwise (like shift working, commissioning, performance tests etc.)

Period to assignment for site work shall be continuous unless specific requirement for home

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leave is agreed.

The Vendor shall quote daily rates for the personnel who will be working at site in accordance with this purchase order. All the information concerning the Vendor's personnel regarding the local conditions, available facilities etc. should be taken into account while assessing the calendar daily rates.

The vendor may propose different rates for shift working, overtime working above 60 hours: per week.

Any other terms and conditions as may be proposed by Vendor regarding site supervisory services shall be subject to negotiation.

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## 59- FORM OF BOND

### (Advance/Interim Payment Bond, Performance Bond)

To : Pars Carbon Black Company, No.12, Sepidar St., Nelson Mandela Boulevard, Tehran - Iran

Tel : ..... Fax : .....

Date :

Letter Of Guarantee No.

Dear Sirs,

We, the undersigned .....(bank name)..... With a capital of ...(amount)....., whose head office is located at .....(address)....., whereas the accountee .....(vendor name)..... with its head office located at .....(address)..... has received from Pars Carbon Black Company, No.12, Sepidar St., Nelson Mandela Boulevard, Tehran, IRAN.

A Purchase Order No. ....(P/O No.)..... dated ....(date)....., covering the supply of .....(material name)..... for .....(contract price)..... .

The undersigned hereby unconditionally and irrevocably guarantee the payment to Pars Carbon Black (DSP) Company of any amount up to:

\_\_\_\_\_ (amount figure) \_\_\_\_\_ .

\_\_\_\_\_ (amount spelling) \_\_\_\_\_ .

Payment under this guarantee is available against DSP's simple statement that the accountee has failed to comply with terms and conditions of the contract.

This guarantee expires on \_\_\_\_\_ (date) \_\_\_\_\_ and is extendable 3 (three) months by DSP request.