



SAUDI BASIC INDUSTRIES CORPORATION - General Terms and Conditions for the Purchase of Goods and Services

1 GENERAL PROVISIONS

These general terms and conditions for the Purchase of Goods and/or Services ("GTC") shall apply to any Purchase Contract except as otherwise expressly agreed in such Purchase Contract. In case of any conflict between the main body of a Purchase Contract and the attachments thereto, the provisions of the main body of a Purchase Contract shall apply unless otherwise expressly provided. Any general or special conditions of Supplier are hereby explicitly and entirely rejected and shall not apply to any Purchase Contract even if referred to or printed on any bid, web site, price quotation, order confirmation, invoice or any other document or communication of Supplier.

2 DEFINITIONS

The following terms shall have the following meaning:

- 2.1 "Affiliate" means, in relation to a Party, any individual or entity that at any time controls, is controlled by, or is under common control, with such Party, with "control" meaning directly or indirectly owning a majority equity interest in, or otherwise having the power to direct the business affairs of, the controlled entity, provided that SABIC's Affiliates shall be limited to SABIC and entities now or hereafter controlled by it.
- 2.2 "Applicable Law" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or governmental authorities and all orders and decrees of all courts and arbitrators.
- 2.3 "Delivery Point" means the place agreed in the Purchase Contract where Goods are to be delivered or where Services are to be performed.
- 2.4 "EHSS Laws" means any and all laws, rules, and regulations and the terms of any permit, authorization, license and, to the extent they would be observed by a prudent operator, any codes of conduct or any practices related to environment, health, safety and security, including on the (a) protection of air, water, soil, flora, fauna and man; or (b) generation, transportation, storage, treatment, disposal or presence of any natural or artificial substance, including but not limited to hazardous, polluting, toxic or dangerous substances, waste, radiation, electricity and heat; or (c) human health and safety in or around the workplace.
- 2.5 "Force Majeure" means any circumstance beyond the reasonable control of the affected Party, which materially affects the performance of any of its obligations under the relevant Purchase Contract, and could not reasonably have been foreseen or provided against, with exception of any changes in economic conditions, costs and delivery of raw materials and strikes and other labor disputes of Supplier's personnel which do not qualify as force majeure.
- 2.6 "Goods" means the goods (if any) as specified in the relevant Purchase Contract, including any related designs, materials, equipment and documentation.
- 2.7 "Incoterms" means the International Commercial Terms 2020 as issued by the International Chamber of Commerce.
- 2.8 "Intellectual Property Rights" means any intellectual and industrial property rights including, but not limited to, patents of any type, design rights, utility models or other similar invention rights, copyrights, database rights, mask work rights, moral rights, trade secrets, know-how or confidentiality rights, trademarks, trade names and service marks and any other intangible property rights (including applications and registrations for any of the foregoing) in any jurisdiction, and whether or not registered or perfected, whenever and however arising.
- 2.9 "Order Confirmation" means the document or other written communication issued by Supplier to Purchaser accepting a Purchase Order.
- 2.10 "Party" shall mean each of Purchaser and Supplier and "Parties" shall mean Purchaser and Supplier.
- 2.11 "Personal Data" means any information relating to an identified or identifiable natural person.
- 2.12 "Processing Personal Data" means any operation or set of operations performed upon Personal Data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction. "Process Personal Data" shall be construed accordingly.
- 2.13 "Purchase Contract" means any agreement for the purchase of Goods and/or Services resulting from a Purchase Order and the corresponding Order Confirmation.
- 2.14 "Purchase Order" means the document, including any attachments thereto, issued by Purchaser to order Goods and/or Services from Supplier.
- 2.15 "Purchaser" means the legal entity specified in the relevant Purchase Contract as purchasing Party.
- 2.16 "Purchaser Confidential Information" means any information or documents, whether disclosed in tangible form, by electronic means, by visual display, orally or by observation at any facility, (i) that are received from Purchaser or Purchaser's Affiliates; or (ii) that Supplier otherwise acquires relating to Purchaser's business or technology, or business or technology of Purchaser's Affiliates; or (iii) that Supplier has created or produced specifically in connection with any Purchase Contract.
- 2.17 "Purchaser Personal Data" includes any Personal Data obtained by Supplier from Purchaser or Purchaser's Affiliates, and/or any Personal Data being Processed by Supplier on behalf of Purchaser or Purchaser's Affiliates.
- 2.18 "SABIC" means Saudi Basic Industries Corporation.
- 2.19 "Security Breach" includes any event involving an actual, potential or threatened compromise of the security, confidentiality or integrity of Purchaser Personal Data, including, but not limited to, any unauthorized access or use, or any broader circumstances as defined in any applicable laws, rules, and regulations.
- 2.20 "Services" means the services (if any) as specified in the relevant Purchase Contract.
- 2.21 "Specifications" means the (technical) specifications, of the Goods and/or Services as set out in the relevant Purchase Contract or otherwise expressly agreed in writing by Purchaser and Supplier.
- 2.22 "Supplier" means the legal entity specified in the relevant Purchase Contract as supplying Party.
- 2.23 "Supplier Environment" means Supplier collection of computers, data storage devices, workstations, software applications, and networks that support the processing and exchange of electronic information.

3 ORDERS

- 3.1 Purchase Orders shall become binding on Purchaser only upon the written acceptance of the Purchase Order by Supplier by the issuance of an Order Confirmation. Purchaser shall be entitled to make changes to a Purchase Order prior to the receipt of an Order Confirmation. Changes by Purchaser to a Purchase Order for which an Order Confirmation has already been received, shall not be binding unless accepted by Supplier by the issuance of a new Order Confirmation or upon delivery of the Goods or provision of the Services in accordance with such changes, whichever is earlier. In the event that an Order Confirmation deviates from a Purchase Order, such deviation shall be binding on Purchaser only if explicitly approved in writing by Purchaser.

4 QUALITY

- 4.1 Supplier shall implement and maintain appropriate quality control systems and documented procedures which meet good industry practice and ISO 9001 and which ensures that the Goods and Services comply with (a) all statutory and other legal requirements; (b) the warranties stated in Article 11; (c) good industry practices; and (d) standards and any other requirements specified in the Purchase Contract.
- 4.2 If at any time Supplier becomes aware of any event that causes, or is likely to cause, that the Goods and/or Services do not comply with the quality requirements set out in the provisions of this Article 4 and the warranties stated in Article 11, Supplier shall promptly notify Purchaser in writing after becoming aware of such event. Such notification is without prejudice to any rights and remedies Purchaser may have against Supplier resulting from such non-compliance.
- 4.3 Supplier shall timely notify and obtain approval from Purchaser in writing in advance of implementing any change that can reasonably be expected to adversely affect the Goods delivered and/or Services provided to Purchaser and/or Purchaser's Affiliate(s), including, but not limited to, any change in: (a) the quality control systems or procedures set out in this Article 4; or (b) the manufacturing location, manufacturing process, raw materials or proportions of raw materials used in Goods delivered to Purchaser and/or Purchaser's Affiliate(s) under any Purchase Contract.

5 INSPECTION

- 5.1 Unless otherwise agreed in the Purchase Contract, Supplier shall, at its own cost, inspect and test the Goods before delivery to Purchaser and/or Purchaser's Affiliate(s) in accordance with its standard inspection and testing procedures and good industry practice and standards. Purchaser and/or the aforementioned Purchaser's Affiliate(s), shall have the right, but not the obligation, to inspect or cause the inspection of the Goods and/or Services at Supplier's premises at any time prior to delivery of such Goods, including during their manufacturing, processing or storage, or prior to completion of such Services. Where the Goods and/or Services are determined to be compliant with the Purchase Contract, the Purchaser shall bear the cost of such inspection and where the Goods and/or Services are determined not to be compliant with the Purchase Contract, the Supplier shall bear the cost of such inspection. Purchaser and/or the aforementioned Purchaser's Affiliate(s), is/are under no obligation to conduct any inspection or test of the Goods and/or Services upon, or after, Purchaser's and/or Purchaser's Affiliate(s)' receipt of the Goods and/or completion of the Services.
- 5.2 Purchaser and/or Purchaser's Affiliate(s) receiving the Goods and/or Services shall have the right to inspect and test at any time at Supplier's premises or any other location, all goods and/or services and all materials, equipment, facilities and quality control systems and procedures utilized by Supplier in producing Goods or providing Services.
- 5.3 Inspection or testing pursuant to the provisions of this Article 5 shall not constitute acceptance of any Goods or Services by Purchaser and/or Purchaser's Affiliate(s), and shall not relieve Supplier of any of its obligations under any Purchase Contract.

6 PACKAGING AND DOCUMENTATION

- 6.1 Supplier shall ensure that the Goods are packaged, labelled, stored and handled: (a) as safely and carefully as possible; (b) in a manner that prevents them from being damaged during loading, transportation and off-loading; (c) in compliance with all applicable laws, rules and regulations, including those related to goods containing any hazardous and chemical substances; and (d) in accordance with any packaging instructions and specifications provided by Purchaser and/or Purchaser's Affiliate(s) where the Goods are to be delivered. Upon the request of the Purchaser and/or Purchaser's Affiliate(s) receiving the Goods, Supplier shall remove or take back any containers, packaging material, and waste at its own expense and risk.
- 6.2 Supplier shall, where applicable, provide Purchaser and/or Purchaser's Affiliate(s) receiving the Goods, with all complete, accurate, and necessary documentation relating to the Goods, including, but not limited to: documents, data and instructions regarding the safe handling, storage, usage and disposal of the Goods, material safety data sheets, and all certificates customary for such type of goods and relevant mode of delivery, such as certificates of origin, certificates of analysis and certificates of conformity.

7 DELIVERY

- 7.1 Unless otherwise agreed in the Purchase Contract, Supplier shall deliver the Goods at the Delivery Point in accordance with DDP (Delivery Duty Paid), as defined in the Incoterms.
- 7.2 The Supplier shall carry out the Services at the agreed location(s) and agreed delivery date(s) according to the Specifications, the warranties stated in Article 11 and good industry practice. The Services shall be deemed performed only after Purchaser has confirmed to Supplier in writing that the Services provided have been accepted by Purchaser and/or Purchaser Affiliate(s) receiving the Services.
- 7.3 Time is of the essence for performance of the Purchase Contract by the Supplier and the agreed delivery dates for the delivery of Goods and/or the performance of Services indicated in the Purchase Contract shall be firm and binding. If, at any time, the agreed delivery dates for delivery of Goods or performance of Services will not be met, Supplier shall, without delay, give notice to Purchaser in writing stating both the reasons for the delay and the estimated delay in delivery time.
- 7.4 If Supplier fails to deliver the Goods and/or perform the Services in accordance with the agreed delivery date(s) Purchaser shall have the right to claim from Supplier, and Supplier shall pay or allow to Purchaser liquidated damages in an amount equal to two per cent (2%) of the Purchase Contract price for each week (or part thereof) that the delivery of Goods and/or performance of the Services is delayed beyond the corresponding delivery/performance dates. Supplier's maximum liability is respect of delay liquidated damages shall not exceed ten per cent (10%) of the Purchase price.
- 7.5 Without prejudice to Purchaser's rights and remedies under Article 7.4, if Supplier fails to deliver the Goods and/or perform the Services in accordance with the agreed delivery date(s), and such failure has not been remedied within seven (7) calendar days of the Supplier receiving notice from the Purchaser, the Purchaser may reject the Goods and/or Services on behalf of itself and the Purchaser Affiliate(s) where the Goods are to be delivered and/or the Services are to be performed, and immediately terminate the Purchase Contract by giving written notice to the Supplier. In such an event, Supplier shall indemnify the Purchaser for any and all costs, expenses, damages and other losses suffered by Purchaser and the aforementioned Purchaser's Affiliate(s), due to Supplier's failure as outlined in this Article 7.5.
- 7.6 Purchaser's and/or Purchaser Affiliate(s) acceptance of the Goods and/or performance of the Services, including acceptance of delayed delivery or performance, shall not constitute a waiver of, or otherwise limit, any of Purchaser's rights or remedies, including but not limited to, those rights or remedies resulting from late delivery or performance.
- 7.7 Any early or partial delivery of the Goods and/or performance of the Services requires prior written consent from Purchaser. If Supplier fails to obtain such consent, Purchaser and/or Purchaser's Affiliate(s) receiving the Goods and/or the Services, shall not be obliged to take or accept any such early or partial delivery or performance. With respect to such Goods, Purchaser and/or Purchaser's Affiliate(s) where the Goods are delivered, may in its/their sole discretion return the shipment of Goods or arrange for storage of the Goods both at the sole expense and risk of Supplier.
- 7.8 In the event that Purchaser gives notice to Supplier that it and/or Purchaser's Affiliate(s) where the Goods are to be delivered and/or the Services are to be performed, is not able to accept the Goods/ Services on the agreed delivery date indicated in the Purchase Contract, and such notice is given prior to the dispatch of the Goods/ Services by Supplier, upon Purchaser's request, Supplier shall, at its own cost, postpone the delivery date for a reasonable period of time, such to be determined by Purchaser. In the event such notice is given after dispatch of the Goods by Supplier, upon Purchaser's request, Supplier shall arrange for the storage of the Goods at the risk and expense of Purchaser.

8 ENVIRONMENT, HEALTH, SAFETY AND SECURITY

- 8.1 Supplier shall at all times (including without limitation during delivery or collection, handling, storage and transport of Goods or the performance of Services) comply and shall require that its contractors and/or any other party or parties acting on its behalf comply with all applicable EHSS Laws, the recommendations in any material safety data sheets, all safety and other procedures in force at the relevant Delivery Point and in a manner consistent with the standards of a reasonable and prudent operator engaged in the same or substantially similar type of undertaking under the same or similar circumstances and conditions. Supplier shall be liable to Purchaser in respect of its non-compliance with this Article 8 and shall indemnify and hold Purchaser harmless against any and all loss or liability (of any nature whatsoever) incurred by it and/or Purchaser's Affiliate(s) where the Goods are to be delivered and/or the Services are to be performed, as a result of such non-compliance.
- 8.2 Without limiting Supplier's obligations to comply with EHSS Laws, Purchaser and/or Purchaser's Affiliate(s) where the Goods are to be delivered and/or the Services are to be performed, shall have the right to conduct (or have conducted by mutually agreed experts) at periodic intervals an environmental, health, safety and security audit on the operations and procedures of Supplier, including, but not limited to, Supplier's loading and/or discharge operations. In the event that an audit reveals a breach by Supplier of any EHSS Laws or policies and/or procedures of the Purchaser and/or the aforementioned Purchaser's Affiliate(s), such appraisal shall be at the expense of Supplier, otherwise such appraisal shall be at the expense of Purchaser.
- 8.3 In the event that Supplier becomes aware of any circumstance that: (a) constitutes a breach of any EHSS Laws, or (b) would constitute a breach of EHSS Laws if Supplier were to continue supplying Goods and/or Services to Purchaser and/or Purchaser's Affiliate(s) or Purchaser and/or such Purchaser's Affiliate(s) were to continue to take Goods and/or Services from Supplier; or (c) a reasonable and prudent operator engaged in the same or substantially similar type of undertaking under the same or similar circumstances and conditions would consider to be an unacceptable risk to employees and/or the environment, it shall immediately inform Purchaser and the Parties shall as soon as practicable discuss such circumstances, and, as long as any such circumstance continues, Purchaser and/or the aforementioned Purchaser's Affiliate(s) shall be entitled to refuse to accept any Goods and/or Services affected by such breach, or potential breach, or unacceptable risk, without any liability to Supplier.

9 PRICE, INVOICES AND PAYMENTS

- 9.1 The price of the Goods and/or Services and the currency of payment shall be as specified in the relevant Purchase Contract. Such price shall be fixed for the term of

the Purchase Contract, unless otherwise agreed in the Purchase Contract. No additional charges, fees, or expenses shall be charged by Supplier unless specifically agreed upon by Purchaser in writing.

- 9.2 Unless otherwise stated in the Purchase Contract, the price payable for the Goods and/or Services is: (a) exclusive of value added tax or any other sales tax; and (b) inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods, all required travel and living expenses related to the provision of the Services, and any and all duties, licenses, permits and taxes (other than value added tax or any other sales tax) as may be payable for the Goods and/or Services.
- 9.3 Unless otherwise agreed in the relevant Purchase Contract, payment shall be processed within sixty (60) calendar days after the date on which the correct and undisputed invoice is received by Purchaser, taking into account that actual payment to Supplier may take up to sixty six (66) calendar days depending on Purchaser's weekly payment schedule. Supplier shall issue an invoice only after the delivery of the Goods and/or the performance of the Services. Invoices must be issued in accordance with all applicable laws and regulations, and Purchaser's instructions, if any.
- 9.4 Payment of an invoice shall not be deemed acceptance by Purchaser and/or Purchaser's Affiliate(s) of the Goods and/or Services covered by such invoice or of the invoiced amount, and shall be without prejudice to any rights and remedies Purchaser may have against Supplier.
- 9.5 Purchaser may withhold payment of any disputed amounts included in any invoice. Incorrect or incomplete invoices will not be processed by Purchaser and will be returned to Supplier without any liability of Purchaser and/or Purchaser Affiliate(s) receiving the Goods and/or Services. If the Purchase Contract states that value added tax or any other sales tax is payable with respect to any Goods and/or Services, Purchaser is only required to pay such tax upon receipt of a valid original value added tax or other sales tax invoice meeting the applicable tax legislation and invoice requirements stated in the Purchase Contract. Supplier shall indemnify and hold Purchaser harmless for any recharged value added tax or any other sales tax, fines, penalties or other costs (including legal advisory and court costs) imposed on, or incurred by, Purchaser and/or the aforementioned Purchaser Affiliate(s) resulting from Supplier not complying with applicable tax legislation or the invoice requirements stated herein and in the Purchase Contract.
- 9.6 Purchaser shall be entitled to set off any amount due by Supplier to Purchaser or due by Supplier to any Affiliates of Purchaser against any amount due by Purchaser under the Purchase Contract, or to recover such sums as a debt.

10 TRANSFER OF RISK AND TITLE

- 10.1 All risks associated with the Goods shall pass from Supplier to Purchaser in accordance with the Incoterm stated in Article 7.1 or as otherwise agreed in writing by the Parties.
- 10.2 Title to the Goods shall pass from Supplier to Purchaser upon delivery at the Delivery Point or upon payment of the price for such Goods, whichever is earlier. If title to the Goods has passed to Purchaser prior to delivery at the Delivery Point, Supplier shall clearly mark such Goods as Purchaser's property and store them separately from all other goods.

11 WARRANTIES

- 11.1 Supplier warrants that it shall have good title to the Goods, and that the Goods shall be free of any liens and encumbrances.
- 11.2 Supplier warrants that, the Goods shall: (a) conform to the Specifications; (b) be new and not used; (c) be of good quality materials and workmanship; (d) be free from any and all defects in design, processing, fabrication, construction and measurement; (e) be fit for the intended purpose; and (f) conform to all applicable laws, rules and regulations relating to the design, manufacture, sale, packaging, labelling, safety standards, storage, transporting, delivery and use of the Goods. The warranties set out in Articles 11.1 and 11.2 shall be valid for a period of, unless agreed otherwise in the Purchase Contract, twenty four (24) calendar months from the date of acceptance of the Goods by Purchaser and/or the Purchaser Affiliate(s) receiving the Goods, or the date of first operational use of the Goods by Purchaser and/or such Purchaser's Affiliate(s), whichever is latest. Such warranty period shall be extended by the period of time during which the Goods did not conform to the warranties set out in Article 11.1 and 11.2. Any replacement Goods will be subject to above warranties and warranty period.
- 11.3 Supplier warrants that the Services shall be fit for the intended purpose and performed: (a) in full accordance with the Specifications; (b) in a good and workmanlike manner using all due skill and care, diligence and foresight expected and demanded from professional, skilled and experienced service providers engaged in similar services; and (c) by sufficiently qualified personnel. The warranty set out in this Article 11.3 shall be valid for a period of eighteen (18) calendar months from the date of acceptance of the Services pursuant to Article 7.2. Such warranty period shall be extended by the period of time during which the Services did not conform to the warranty set out in this Article 11.3.
- 11.4 Without prejudice to any other rights and remedies Purchaser may have under the Purchase Contract or applicable laws, in the event the Goods fail to conform to the warranties set out in Articles 11.1 and 11.2, Purchaser shall be entitled, at its sole option, on behalf of itself and/or the Purchaser Affiliate(s) where the Goods are to be delivered, and at Supplier's sole expense, to choose one (1) or more of the following remedies: (a) refuse delivery of the non-conforming Goods, or if such Goods have already been delivered, reject such Goods and return them to Supplier, terminate the Purchase Contract and, if already paid, obtain a complete refund of the purchase price of the non-conforming Goods; (b) require Supplier to replace or repair the non-conforming Goods; (c) refuse to accept any new deliveries of the Goods; and (d) claim compensation for all costs, damages and losses incurred by Purchaser and/or the aforementioned Purchaser's Affiliate(s) as a result of breach of the warranties set out in Articles 11.1 and 11.2.
- 11.5 In the event Supplier fails to remedy its breach of the warranties set out in Articles 11.1 and 11.2, or is unable to replace or repair the non-conforming Goods within any period reasonably requested by Purchaser, Purchaser shall be entitled at its sole option, on behalf of itself and/or the Purchaser Affiliate(s) where the Goods are to be delivered, and without prejudice to any other right and remedies to: (1) replace or repair the non-conforming Goods itself at Supplier's expense; or (2) have the non-conforming Goods replaced or repaired by a third party supplier at Supplier's expense; and/or (3) claim reduction or refund (as the case may be) of the purchase price in the amount of the reduced value of the non-conforming Goods.

- 11.6 Without prejudice to any other rights and remedies Purchaser may have under the Purchase Contract or applicable laws, in the event the Services fail to conform to the warranty set out in Article 11.3, Purchaser shall be entitled, at its sole option, on behalf of itself and/or the Purchaser Affiliate(s) receiving the Services, and at Supplier's expense, to choose one or more of the following remedies: (a) refuse to accept the non-conforming Services, or if such non-conforming Services have already been accepted by Purchaser and/or such Purchaser Affiliate(s) as notified by Purchaser in accordance with Article 7.2, reject the non-conforming Services, terminate the Purchase Contract and, if already paid, obtain a complete refund of the purchase price of the non-conforming Services; (b) require Supplier to re-perform the non-conforming Services; (c) refuse to accept any further Services; and (d) claim compensation for all damages and losses incurred by Purchaser and/or such Purchaser's Affiliate(s) as a result of breach of the warranty set out in Article 11.3. In the event Purchaser requires Supplier to re-perform the non-conforming Services, the corrected Services shall again be subject to the warranty coverage set forth in Article 11.3, taking effect as of the date all corrections have been made.

- 11.7 In the event Supplier fails to remedy its breach of the warranty set out in Article 11.3, or is unable to re-perform the non-conforming Services within any period reasonably requested by Purchaser, Purchaser shall be entitled at its sole option, on behalf of itself and/or the Purchaser Affiliate(s) receiving the Services, and without prejudice to any other right and remedies to: (a) obtain the Services from a third party and require Supplier to reimburse Purchaser for all reasonable costs and expenses thereby incurred; or (b) require the Supplier to reduce pro-rata the compensation reasonably allocated to the non-conforming Services.

12 INDEMNIFICATION

- 12.1 Supplier shall indemnify, defend and hold harmless Purchaser, Purchaser's Affiliates and their respective directors, employees, agents and their successors and assignees from and against any and all losses, damages, liabilities, claims (including but not limited to claims based on product liability laws), suits, actions, demands, costs and expenses (including legal costs) made against, or suffered by, the Purchaser, Purchaser's Affiliates or their respective directors, employees or agents and their successors and assignees arising out of or in connection with: (a) the performance of the Purchase Contract and the delivery of Goods and/or performance of Services; (b) the use or sale of the Goods, or the use or deployment of the Services by Purchaser and/or Purchaser's Affiliate(s); (c) any breach of Supplier's warranties, representations, covenants or other obligations or duties contained in the Purchase Contract or any breach or violation of any other obligation or duty under applicable law; or (d) any negligent acts or omissions, or willful misconduct relating to the Purchase Contract by Supplier, its employees, officers, directors, contractors, subcontractors or agents.

13 INSURANCE



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- 13.1 Supplier shall, at its own cost, procure and maintain as from the date of the Purchase Contract and throughout the duration of the Purchase Contract the following insurances together with such other insurances as may be required by applicable laws in connection with the performance of the Purchase Contract (each an "Insurance Policy" and together, the "Insurance Policies"):
- (a) "Professional Indemnity Insurance", providing coverage in respect of the performance of the Purchase Contract by the Supplier. Such Insurance Policy shall be in an amount of no less than US\$ 1,000,000 (one million) for any one occurrence or series of occurrences arising in any one year out of any one event and shall be maintained in the full amount for a period of ten (10) years following completion or earlier termination of the Purchase Contract;
- (b) unless not required in accordance with the Incoterms (if any), "All Risk Marine Insurance" which shall include coverage for inland transportation covering loss of, or damage to, the Goods (if any) for a value of no less than one hundred and ten per cent (110%) of the value of the consignment. Such insurance shall cover the Goods (if any) from the time they leave Supplier's warehouse until the time they are delivered to the Delivery Point;
- (c) "Comprehensive General Liability (CGL) Insurance" covering death and personal injury sustained by any person and loss of or damage to any property arising out of or in connection with the performance of the Purchase Contract. Such Insurance Policy shall be maintained in an amount of no less than US\$ 2,000,000 (two million) for any one occurrence, shall provide for contractual liability and shall not exclude professional negligence, any property of the Purchaser, SABIC or any of the SABIC Affiliates, or any third party property which is under the care, custody or control of the Supplier;
- (d) "Automobile Liability Insurance" covering bodily injury, sickness or death of any person, or for loss of or damage to property by any vehicle whether owned, hired or used by the Supplier. Such Insurance Policy shall be in an amount of no less than the higher of (A) the statutory limit for Automobile Liability Insurance in the Kingdom of Saudi Arabia as at the date of the Purchase Contract (if applicable), and (B) SAR 10,000,000 per occurrence; and
- (e) if the Purchase Contract requires the Supplier to enter any of the sites of the Purchaser or any SABIC Affiliate for the provision of works, "Workmen's Compensation Insurance" covering the Supplier's personnel whilst engaged in the performance of the Purchase Contract. Such Insurance Policy shall be in an amount of no less than the higher of (A) the statutory limit for Workmen's Compensation Insurance in the Kingdom of Saudi Arabia as at the date of the Purchase Contract (if applicable), and (B) US\$ 1,000,000 per occurrence and shall cover compensation for affected personnel as required under applicable laws and shall include overseas travelers' personal accident insurance and/or similar statutory social insurance.
- 13.2 Supplier shall ensure that the Insurance Policies are effected and maintained with a financially sound and reputable insurer(s) with a rating of at least A1 from Standard & Poor's, or with such other insurer(s) as may be approved by Purchaser.
- 13.3 Upon Purchaser's request, Supplier shall provide Purchaser with evidence of any such insurance, including the relevant insurance certificates. Supplier shall immediately inform Purchaser of anything that might affect the insurance cover required pursuant to the provisions of this Article 13. Any insurance coverage shall not limit in any way Supplier's liability for Goods delivered to, and/or Services performed for, Purchaser and/or Purchaser Affiliate(s).
- 14 TOOLS**
- Any tools, equipment or other materials, including any software, which are: (a) provided or made available to Supplier by Purchaser or Purchaser Affiliate(s); or (b) used by Supplier and purchased or reimbursed by Purchaser; or (c) used by Supplier and manufactured or purchased by Supplier, in connection with the Purchase Contract, shall become the property of Purchaser or Purchaser Affiliate(s) or remain the property of Purchaser or such Purchaser Affiliate(s). The ownership of any such tools, equipment or other materials manufactured or purchased by Supplier in connection with the Purchase Contract is transferred to Purchaser of the aforementioned Purchaser Affiliate(s) by Supplier on the date of acquisition or date of completion of the manufacturing of such tools, equipment or other materials by Supplier. Whenever practical, Supplier shall adequately identify Purchaser's and Purchaser's Affiliate(s)' property and safely store it separate and apart from Supplier's property. Supplier shall not substitute any property for Purchaser's or Purchaser's Affiliate(s)' property and shall not use Purchaser's or Purchaser's Affiliate(s)' property for any purpose other than for fulfilling its obligations under the Purchase Contract and it shall be held at Supplier's risk and kept insured by Supplier at the replacement value and on appropriate terms. Upon Purchaser's request, Supplier shall return or hand over such property to Purchaser or the aforementioned Purchaser Affiliate(s) in good condition.
- 15 FORCE MAJEURE**
- 15.1 Subject to compliance with the provisions of this Article 15, neither Party shall be liable for any non-performance or delay in performance of a Purchase Contract caused by Force Majeure.
- 15.2 The affected Party shall give the other Party written notice as soon as possible after the occurrence of any event that qualifies, or that is reasonably likely to qualify, as a Force Majeure, including sufficient information as to the actual or likely cause, the anticipated impact on any Purchase Contract and the date it expects the event to end. The Party asserting Force Majeure shall take such action, as it is reasonable in the circumstances to mitigate the effects of the Force Majeure and to effect removal thereof.
- 15.3 If Supplier's supply of Goods and/or performance of Services is limited because of a Force Majeure event, Supplier shall distribute any available Goods and personnel performing Services among its customers in a fair and reasonable manner and in addition shall use its best efforts to purchase or obtain at Supplier's expense, Goods and/or Services for Purchaser from third party producers or suppliers of Goods and/or Services, or if applicable from Supplier's Affiliates.
- 15.4 If during any Force Majeure deliveries of the Goods and/or performance of the Services are suspended by Supplier, Purchaser shall be entitled to purchase similar Goods and/or Services from any third parties, and in such case, Supplier and Purchaser shall not be required to make up for any quantities of Goods not supplied or taken or any Services not performed during the period of Force Majeure or to extend the period of any Purchase Contract to this effect.
- 15.5 Notwithstanding the other provisions of this Article 15, when an event of Force Majeure continues for more than thirty (30) consecutive calendar days, the Party not declaring Force Majeure shall be entitled to terminate the Purchase Contract, with immediate effect and without liability to the affected Party.
- 16 SUSPENSION AND TERMINATION**
- 16.1 If, at any time:
- (a) Supplier is in material breach of a Purchase Contract, which includes a series of minor breaches, and where such breach is remediable, fails to remedy it within seven (7) calendar days from the date of written notice of default to Supplier by Purchaser;
- (b) Supplier is in breach of any applicable laws, including, but not limited to, EHSS Laws; or
- (c) Supplier passes a resolution for winding up or if a court makes an order to that effect; or there is an application for, or the initiation of, any proceedings for the bankruptcy, insolvency, winding up, administration, liquidation or other similar proceedings relating to Supplier other than where such proceedings are being contested in good faith and with due diligence and are discharged within fourteen (14) calendar days of commencement of such proceedings; or a receiver, administrator, trustee or other similar official is appointed in relation to Supplier or in relation to the whole, or a part, of its assets; or Supplier enters into any composition with its creditors generally; or any person acquires the direct or indirect control of the majority of the voting rights in the shareholders meeting of Supplier, and in each of such cases, such event is continuing and has not been cured, remedied or otherwise is no longer in existence,
- then in such events, Purchaser shall be entitled (without prejudice to any other right and remedies) to: (1) suspend the performance of its obligations under the Purchase Contract(s), including, but not limited to, payment of invoices for Goods delivered and/or Services performed by Supplier; or (2) terminate any Purchase Contract immediately by written notice to Supplier without any liability to Purchaser and/or Purchaser's Affiliate(s) for any such termination.
- 16.2 Purchaser may terminate any Purchase Contract completely or in part at any time and without any reason, by giving written notice to Supplier. Upon receipt of such notice, Supplier shall discontinue all work on the relevant Purchase Contract, unless necessary to conserve and protect work already done and, if Supplier is not in
- material breach of the Purchase Contract, Purchaser shall pay to Supplier fair and reasonable compensation for any work already completed or Goods and/or Services already delivered/performed up to the date of termination, however such compensation shall not include any loss of anticipated profits or any consequential losses or damages and shall in no event exceed the purchase price for such Goods and/or Services.
- 16.3 The termination of any Purchase Contract shall be without prejudice to and shall not affect any rights or obligations expressly or impliedly having effect after termination and which shall have accrued prior to such termination including but not limited to the rights and obligations in Articles: 10 (*Transfer of Risk and Title*), 11 (*Warranties and Liabilities*), 12 (*Indemnification*), 17 (*Confidentiality*), 19 (*SABIC Supplier Code of Conduct*), and 24 (*Applicable Law and Dispute Resolution*), which shall survive any such termination.
- 17 CONFIDENTIALITY**
- 17.1 Supplier shall treat as confidential and shall not disclose Purchaser Confidential Information to any third party without the prior written consent of Purchaser. Supplier may provide Purchaser Confidential Information to Supplier's subcontractors provided that Supplier has received the prior written consent of Purchaser and such subcontractors are bound by confidentiality obligations no less stringent than contained in these GTC. Supplier may, without the prior written consent of Purchaser, disclose Purchaser Confidential Information to: (a) its employees or its Affiliates' employees to the extent reasonably necessary for the performance of the relevant Purchase Contract, provided that such employees are bound by confidentiality obligations no less stringent than contained in these GTC; or (b) to the extent required by any applicable laws, any governmental authority or court order. Supplier shall use and cause its employees and Affiliates' employees, as well as its permitted subcontractors and their employees, to use such information only as necessary to fulfill Supplier's obligations under the relevant Purchase Contract. Upon termination or expiry of a Purchase Contract, all such information shall be returned to Purchaser, or at Purchaser's option, securely disposed of by the Supplier. The Purchaser may request evidence of such secure disposal to the satisfaction of the Purchaser. Supplier shall not make any announcement or release any information concerning any Purchase Contract, or business relationship, to any other person or entity, including the press or any official body, except as required by law, unless prior written consent is obtained from Purchaser. The obligations contained in this Article 17 will continue in force notwithstanding termination, expiration or completion of the Purchase Contract, however caused, although such provisions do not apply to any information in the public domain, or that comes into the public domain, other than through violation of any confidentiality obligations, or which can be shown by Supplier to Purchaser's satisfaction to have been known by Supplier independently.
- 18 INTELLECTUAL PROPERTY**
- 18.1 All Intellectual Property Rights owned by Purchaser, its Affiliates or any of their respective licensors which Purchaser makes available to Supplier in the course of carrying out any Purchase Contract, shall remain the property of Purchaser, such Affiliates or any of such relevant licensors.
- 18.2 All Intellectual Property Rights owned by Supplier, its Affiliates or any of their respective licensors which Supplier makes available to Purchaser and/or Purchaser Affiliate(s) in the course of carrying out any Purchase Contract, shall remain the property of Supplier, such Affiliates or any of such relevant licensors.
- 18.3 Supplier hereby grants to the Purchaser and Purchaser's Affiliates an irrevocable, non-exclusive, perpetual, transferable, royalty-free, worldwide license (with the ability to sub-license) to make, use, sell, and otherwise use and exploit any of the Intellectual Property Rights referred to in Article 18.2.
- 18.4 Any Intellectual Property Rights developed by or on behalf of either Party, as a result of, or in the context of, any activity pursuant to any Purchase Contract, shall be exclusively owned by Purchaser, and Supplier agrees to assign and hereby assigns same to Purchaser. Supplier agrees to take all actions reasonably required under applicable laws to secure the assignment of all such Intellectual Property Rights to Purchaser. The Purchaser hereby grants or shall grant to the Supplier an irrevocable, non-exclusive, transferable, royalty-free, worldwide license to use the Intellectual Property Rights referred to in Articles 18.1 and 18.4 and owned by Purchaser for the sole purpose of performing Supplier's obligations in connection with the Purchase Contract.
- 18.5 Supplier warrants that the manufacture, sale, possession, resale or use of the Goods and/or the performance, deployment or use of the Services to be supplied do not infringe any third party Intellectual Property Rights or any other rights of any third party. Supplier shall indemnify and hold Purchaser, Purchaser's Affiliates, and their respective directors, employees and agents harmless from any and all damages, liabilities, claims, suits, actions, demands, costs and expenses (including legal costs) brought against, or incurred by, Purchaser, Purchaser's Affiliates or their respective directors, employees and agents in any jurisdiction and which arise out of, or in connection with, a claim or proceeding alleging that the manufacture, sale, possession, resale or use of the Goods and/or the performance, deployment or use of the Services under the Purchase Contract infringes any Intellectual Property Rights or any other rights of any third party. In such event, Supplier will in addition to the foregoing indemnity obligation, and notwithstanding any other remedies Purchaser may have against Supplier under the Purchase Contract, including the remedies as set forth in Articles 11.4 up to and including 11.7, or according to applicable laws, obtain for Purchaser and Purchaser's Affiliate(s) receiving the Goods and/or Services, at Supplier's expense a license to use the Goods and/or Services, or replace or modify the same, in a manner satisfactory to Purchaser and such Purchaser Affiliate(s), so as to avoid the infringement. Supplier shall not assert any of its Intellectual Property Rights against Purchaser or Purchaser's Affiliates or customers worldwide in connection with any use of Goods and/or Services provided to Purchaser and/or Purchaser Affiliates in the manufacture, use, preparation, sale, or delivery of, or other action with respect to, the Goods and/or Services of Purchaser or Purchaser's Affiliates or customers.
- 19 SABIC SUPPLIER CODE OF CONDUCT**
- 19.1 Supplier represents and warrants that Supplier and its employees, shall fully comply with all applicable laws and the principles as stated in the SABIC Supplier Code of Conduct which can be downloaded from <https://supplier.sabic.com/> (or such other link as SABIC may publish from time to time) and which will be made available by Purchaser upon the written request of Supplier. Any reference to the SABIC Supplier Code of Conduct shall (except where the context otherwise requires) be construed as referring to such SABIC Supplier Code of Conduct as amended and in force from time to time.
- 19.2 At Purchaser's request, and as a condition for doing business with Purchaser, Supplier shall comply with the requirements of the SABIC Supplier Due Diligence Programme which can be viewed at <https://supplier.sabic.com/RegisterSABICSupplier.aspx> (or such other link as SABIC may publish from time to time).
- 19.3 Purchaser reserves the right, at any time during the term of any Purchase Contract, to conduct an audit or carry out an inspection at Supplier's premises, or have such audit or inspection conducted or carried out by a third party appointed by Purchaser, in order to verify Supplier's compliance with the principles as stated in the SABIC Supplier Code of Conduct and as part of SABIC's Supplier Due Diligence Programme. Purchaser shall use reasonable efforts to ensure that any such audit and inspections will be conducted and carried out in accordance with any applicable data protection law(s) and shall neither unreasonably interfere with the Supplier's business activities nor violate any of the Supplier's confidentiality agreements with third parties. The Supplier shall reasonably cooperate with any such audits and inspections conducted. Where it is determined by such audit or inspection that Supplier is compliant with the principles as stated in the SABIC Supplier Code of Conduct and as part of SABIC's Supplier Due Diligence Programme, Purchaser shall bear the cost of such audit or inspection, and where it is determined that Supplier is not compliant with the aforementioned principles, Supplier shall bear the cost of such audit or inspection.
- 19.4 Without prejudice to any other express remedies referred to elsewhere in the Purchase Contract or any rights or remedies available at law, in the event of a breach of the principles as stated in the SABIC Supplier Code of Conduct or the obligations contained in this Article 19 by Supplier, Purchaser shall have the right to take whatever action it deems appropriate including the right to terminate, and suspend performance under, any Purchase Contract with immediate effect and without any liability by Purchaser and/or Purchaser Affiliate(s) receiving the Goods and/or Services, for any loss or damage arising as a result of such termination or suspension.
- 20 DATA PROTECTION AND CYBERSECURITY REPORTING**
- 20.1 Supplier shall, and shall cause its personnel to: (a) view and Process Purchaser Personal Data only on a need-to-know basis and only to the extent necessary to supply the Goods and/or perform the Services; (b) immediately inform Purchaser of any Security Breach; (c) not disclose Purchaser Personal Data to any third party (including external authorities), without Purchaser's prior written consent, unless required by applicable laws and/or regulations, in which case Supplier shall promptly inform Purchaser of such disclosure requirement; (d) provide Purchaser with a detailed description of any Security Breach, the type of data that was the subject of the Security Breach, the identity of each affected person, and any other information Purchaser may request concerning such affected persons and the details of the breach; (e) take action immediately, at Supplier's expense, to investigate the Security Breach and to identify, prevent and mitigate the effects of any such Security Breach, and to carry out any recovery or other action necessary to remedy the Security Breach; (f) pay for, or reimburse, Purchaser for all costs, losses and/or expenses relating to any Security Breach; (g) comply with all applicable laws and regulations pertaining to Personal Data; and (h) comply with all legal requirements associated with transferring any Supplier Personal Data to Purchaser. Upon termination of a Purchase Contract, Supplier shall stop the Processing of Purchaser Personal Data and shall return or destroy Purchaser Personal Data, unless instructed otherwise by Purchaser. The obligations contained in this Article 20 will continue in force until Supplier no longer possesses Purchaser Personal Data notwithstanding termination, expiration or completion of the Purchase Contract.
- 20.2 The Supplier shall notify the Purchaser in writing of any adverse situation or cybersecurity incident that occurs in the Supplier Environment, affecting any network, systems or applications that process, access, or store Purchaser's information/data (the "Incident"). The notification must be done as soon as practicable, but no later than twenty-four (24) hours after the Supplier becomes aware of the Incident or should have become aware of the Incident. The Supplier shall make the notification to the Purchaser using the following channel: email: CyberSecurityCenter@SABIC.COM
- 21 SUBCONTRACTORS**
- Supplier shall not subcontract or delegate any of its rights or obligations under the Purchase Contract to a third party, without the prior written consent of Purchaser. Consent by Purchaser shall be subject to Supplier requiring its subcontractor(s) to comply with all relevant obligations under the relevant Purchase Contract and shall not release Supplier from any of its obligations or liability under such Purchase Contract.
- 22 ACCOUNTS AND RECORDS AND AUDIT**
- 22.1 Supplier shall maintain and keep (and shall procure that its personnel maintain and keep) comprehensive information technology ("IT") security audit reports and records of all operations and processes deployed by Supplier for the administration and protection of Purchaser's and Purchaser's Affiliates' information, including all hardware and software programs which process Purchaser and Purchaser Affiliate(s) data (the "IT Audit Reports"). The IT Audit Reports shall be submitted promptly by Supplier at the request of Purchaser, without cost to the Purchaser, and shall not have been generated more than one year prior to the date of the request of Purchaser. Purchaser shall have the right to audit IT security (the "IT Audit"). IT Audits may be conducted by Purchaser, or any third party appointed by Purchaser, and Supplier shall cooperate with Purchaser and/or the relevant third party. Supplier shall promptly, at its own expense, rectify any problems and/or deficiencies identified in any IT Audit and/or any IT Audit Reports.
- 22.2 The Supplier shall maintain and keep proper accounts and records in respect of the Purchase Contract in accordance with generally accepted accounting practices for the duration of the Purchase Contract and for three (3) years after expiry or termination of the Purchase Contract. Throughout this period and with reasonable prior notice to the Supplier, the Purchaser shall have the right to inspect and audit such accounts and records. If an audit shows any error(s) in the Supplier's invoices and/or payments, the Supplier shall bear the cost of the audit (which shall otherwise be at the cost of Purchaser), and appropriate adjustments in payments will be made within ten (10) calendar days of either the agreement of the Parties regarding such error or the final dispute resolution on such matter pursuant to Clause 24.
- 23 MISCELLANEOUS PROVISIONS**
- 23.1 If, at any time, any Affiliates of Supplier are involved in the performance of any obligations under the Purchase Contract, Supplier shall be jointly and severally liable to Purchaser for the performance of the obligations of its Affiliates and any associated actions or omissions.
- 23.2 The Parties are independent contractors. Nothing in the Purchase Contract shall be deemed to constitute either Party as a legal representative or an agent of the other or create a partnership, joint venture or employment relation between the Parties.
- 23.3 No Purchase Contract is assignable or transferable by either Party to any other party without the prior written consent of the other Party, provided however that such written consent shall not be required in case of an assignment or transfer by Purchaser to any Affiliate of Purchaser.
- 23.4 Any delay or failure in the exercise of any right under a Purchase Contract and/or these GTC shall not represent a waiver or forbearance of such right and shall not prejudice the future exercise of such right.
- 23.5 If, at any time, any provision of these GTC is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, the remaining provisions shall not in any way be affected or impaired thereby.
- 23.6 No modification of or deviation from these GTC and/or the Purchase Contract shall be effective between Supplier and Purchaser unless it is a written amendment, expressly stated as such, and duly signed on behalf of both Purchaser and Supplier.
- 23.7 Any notice or other document to be served under each Purchase Contract may be delivered or sent by post or email (with receipt confirmed) to the Party to be served at its address set out in the Purchase Contract or as otherwise agreed in writing between the Parties.
- 23.8 Supplier agrees and undertakes that from the date that the Purchase Contract enters into force, and for a period of one (1) year after the expiration or earlier termination of the Purchase Contract, Supplier shall not, directly or indirectly, for itself or on behalf of another person or entity: (i) solicit or encourage any person to leave the employment of Purchaser or Purchaser Affiliate(s) receiving the Goods and/or Services; or (ii) make an offer of employment to any person in the employment of Purchaser or such Purchaser Affiliate(s).
- 23.9 Any natural person, corporate or unincorporated body (whether or not having separate legal personality), who/which is not party to the Purchase Contract, with the exception of the Purchaser Affiliate(s) receiving the Goods and/or Services, shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Purchase Contract. The rights of the Parties to terminate, rescind or agree any variation, waiver or settlement under the Purchase Contract are not subject to the consent of any other person.
- 24 APPLICABLE LAW AND DISPUTE RESOLUTION**
- 24.1 The Supplier shall abide by, and fully comply with, at its own expense all Applicable Laws.
- 24.2 These GTC and any Purchase Contract and all relationships arising out of or related thereto, shall be exclusively governed by the substantive laws of England, excluding any conflict of law provisions. The Parties acknowledge and agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this GTC and any Purchase Contract.
- 24.3 (a) Any dispute under a Purchase Contract that has not been resolved by agreement of the Parties within fourteen (14) calendar days of commencing settlement negotiations shall be referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules"), which are deemed to be incorporated by reference into this Article 24.2. (b) The arbitral tribunal shall consist of three arbitrators. Each Party shall nominate one arbitrator. The two arbitrators so nominated shall, in turn, nominate the third arbitrator who shall serve as the chairman of the arbitral tribunal. If a Party fails to nominate its arbitrator within a period of 14 calendar days after receiving notice of the arbitration, or if the two arbitrators appointed cannot agree on the third arbitrator within a period of 14 calendar days after appointment of the second arbitrator, then such arbitrator shall be nominated and appointed in accordance with the ICC Rules. No arbitrator shall be a present or former employee or agent of, or consultant or counsel to, either Party. (c) The place of arbitration shall be London, England and the arbitration proceedings will be conducted in the English language. (d) Any award of the arbitral tribunal shall be binding from the day it is made and the Parties hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any court. Judgment on the award rendered by the arbitral tribunal may be entered in any court having jurisdiction thereof. (e) The Parties shall keep confidential all matters relating to arbitration proceedings commenced under this Article 24.2, including any award made by the arbitral tribunal. (f) In case of conflict between the ICC Rules and the provisions of this Article 24.2, the provisions of this Article 24.2 shall prevail.