

**ARAMCO SERVICES COMPANY  
STANDARD TERMS AND CONDITIONS**

VENDOR SHALL SELL AND BUYER SHALL PURCHASE THE GOODS ("Goods") DESCRIBED IN THIS PURCHASE ORDER ("Order") UNDER THE FOLLOWING TERMS AND CONDITIONS:

**1. CHOICE OF LAW AND INTERPRETATION**

The terms and conditions of this Order shall be governed by and interpreted in accordance with the laws of the State of Texas. Neither custom nor usage of trade shall be considered in interpreting this Order.

**2. NATURE OF AGREEMENT**

(a) This Order is placed and accepted subject to the terms and conditions stated herein, constitutes the entire agreement between the parties with respect to the subject purchase and sale and shall control to the extent it contains or there exist any conflicting terms and conditions. These terms and conditions supersede any and all prior correspondence, communications, proposals or agreements, written or oral.

(b) These terms and conditions may not be changed or waived except in writing and signed by both Buyer and Vendor. Any additional, inconsistent or different terms and conditions contained in Vendor's quotation, the Order or other documents supplied by Vendor are hereby expressly rejected.

(c) This Order shall be considered accepted upon Buyer's receipt of the Acknowledgment Sheet signed by Vendor or the commencement of performance by Vendor based on this Order, if known to Buyer, shall also constitute acceptance of this Order without reservation, whether or not Vendor has signed and returned the Acknowledgment Sheet. Acceptance by Vendor of the Order, including the bid given therein, and Buyer's acceptance of Vendor's bid is expressly limited to and conditioned upon these terms and conditions and Vendor's acceptance thereof.

(d) Any technical data, specifications, standards, drawings, designs and the like attached to, referenced in, or later incorporated into this Order by a Change Order as provided in Clause 3 ("Buyer's Data") form a part of this Order.

(e) If any provision of this Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

(f) This Order shall not be assigned or subcontracted more than fifteen percent (15%) by value by Vendor without Buyer's prior written consent.

(g) The rights of Buyer and Vendor herein are not exclusive and shall not limit either party's right to avail itself of any other remedy provided by law or equity.

**3. CHANGES**

At any time, Buyer may make a change within the general scope of this Order by written notice. Vendor shall proceed with this Order as changed. Changes may include changes in the technical aspects of the Goods, method of shipment or packing, inspection standards and place of delivery. If a change affects the purchase price or delivery date, Buyer and Vendor shall mutually agree upon an equitable adjustment in the same. The change, and any such adjustments, shall be set forth in a written Change Order issued by Buyer and signed by Vendor. Unless otherwise agreed in writing, any claim by Vendor for adjustment in the purchase price or delivery date must be received by Buyer, in writing, within thirty (30) days following receipt by Vendor of any direction from Buyer which Vendor believes constitutes a change. Vendor shall make available, for examination by Buyer, relevant books and records supporting Vendor's request for adjustment.

**4. BUYER'S REMEDIES: WARRANTY AND REJECTION**

Seller warrants that:

(a) Upon delivery to Buyer, Vendor shall convey clear title to the Goods free of any lien, encumbrance or security interest.

(b) The Goods shall conform to Buyer's Data, be new and unused, of high quality and workmanship within generally recognized industry standards, and shall be fit for the purpose or use for which they are bought to the extent such purpose or use is known or reasonably should be known to Vendor.

(c) If the Goods are sold by sample they shall conform to the sample.

If the Goods are found not to conform to the foregoing warranties at any time within eighteen (18) months following delivery to Buyer or twelve (12) months from commencement of use in Saudi Arabia by the Saudi Arabian Oil Company ("Saudi ARAMCO"), whichever is earlier, Buyer may require Vendor to repair or replace non-conforming Goods at Vendor's cost including the cost of transportation. Should Vendor fail to repair or replace non-conforming Goods, Buyer may repair or replace such Goods either itself or through others and charge the cost thereof to Vendor.

If at any time prior to or within six (6) months following receipt of the Goods by Saudi ARAMCO in Saudi Arabia Buyer determines that the Goods, or any portion thereof, or their tender are not strictly in conformance with the terms of this Order. Buyer may reject, refuse acceptance or revoke acceptance of any or all of the Goods or tender thereof and cancel the order without any obligation to Vendor. In addition, Buyer may, at any time, revoke its acceptance of the Goods and cancel the order without obligation to Vendor should Buyer discover latent defects. All costs incurred by Buyer as a result of such revocation of acceptance or cancellation shall be for the account of Vendor.

## **5. PROTECTION AGAINST CERTAIN LOSSES**

Vendor shall not be liable to Buyer for Buyer's loss of profits, crude oil or products derived therefrom due to any cause whatsoever.

## **6. INSPECTION**

Buyer shall have the right to inspect the Goods, test or witness Vendor's tests of the Goods, and otherwise review Vendor's performance prior to delivery and acceptance of the Goods. Buyer shall exercise such right at reasonable times in a manner which does not unreasonably interfere with Vendor's operations. Buyer's exercise of such right (including any approval of Vendor's drawings or approval of the Goods for shipment) or waiver of the same shall not relieve Vendor of any of its obligations under the Order nor constitute acceptance of the Goods.

## **7. PACKING AND DELIVERY**

If the Goods are not packed and marked in accordance with Buyer's packing specifications and marking instructions and must be repacked or remarked, the cost shall be borne by Vendor. Goods supplied against a single line item which consist of more than one component may be assembled or individually packed, but all components shall be delivered at the same time.

All shipments and deliveries shall be strictly in accordance with the requirements of this Order. Vendor shall promptly notify Buyer, in writing, of any anticipated or actual delay, the reasons for the delay and the actions being taken by the Vendor to overcome or minimize the delay. Such notification shall in no way relieve Vendor of its obligations under this Order.

## **8. TITLE AND RISK OF LOSS**

Except as provided in Clause 9, risk of loss and title to the Goods will transfer to Buyer when the Goods are delivered as directed by the freight terms in this Order.

## **9. RISK OF LOSS FROM NONIMPORTABILITY**

Buyer and Vendor agree that Vendor shall reimburse Buyer for any loss (not to exceed the purchase price of the Goods plus cost of transportation) Buyer may sustain in the event that Goods delivered or to be delivered hereunder are not permitted by Saudi Arab Customs or other governmental authorities to be imported into Saudi Arabia in consequence of its laws or administrative practices. (Note: The foregoing clause was adopted as a part of Buyer's Conditions of Purchase prior to January 18, 1978.)

## **10. SUSPENSION OR CANCELLATION FOR BUYER'S CONVENIENCE**

Buyer may suspend performance of all or any part of this Order for its convenience by giving Vendor written notice specifying the part to be suspended and the effective date of such suspension. Vendor shall suspend all activity on the suspended part of this Order on the effective date of suspension and take all action necessary to preserve and protect materials, work in progress, completed Goods and related plans and drawings. Buyer shall reimburse Vendor, subject to audit, unavoidable costs incurred as a direct result of such suspension (including costs incurred in preserving and protecting materials, work in progress, completed Goods and related plans and drawings), as well as any such costs of reassembling personnel and equipment when performance is resumed.

Buyer may cancel all or any part of this Order for its convenience by giving Vendor written notice of such cancellation. Vendor shall cease all activity on the cancelled part of this Order on the effective date of cancellation and take all action necessary to preserve and protect materials, work in progress, completed Goods and related plans and drawings. Buyer shall pay Vendor, subject to audit, unavoidable costs incurred as a direct result of such cancellation (including reasonable cancellation charges actually paid by Vendor to its sub suppliers and reasonable costs incurred in preserving and protecting materials, work in progress, completed Goods and related plans and drawings) plus a reasonable allowance for profit on work performed to the date of cancellation. However, in no event shall the amounts payable to the Vendor for cancellation under this paragraph exceed the total price of this Order less payments otherwise made to and amounts otherwise realized by Vendor through the sale, transfer or other disposition or use of materials related to the cancelled part of this Order and as further reduced by the purchase price of any part of this Order not cancelled.

## **11. CANCELLATION FOR CAUSE**

If Vendor commits any substantial breach of this Order, or Vendor becomes bankrupt, insolvent or unable to meet its financial obligations, Buyer may cancel this Order without liability to Vendor.

## **12. FORCE MAJEURE**

"Force Majeure" shall mean any act, event, cause or occurrence which is not within the reasonable control of Buyer, Vendor or any of Vendor's suppliers and which renders either party unable to perform its obligations. Denial or extended delay of export authorization by the country of origin of the Goods is explicitly recognized as an event of force majeure. If a party is unable to perform any of its obligations as a result of force majeure, performance of such obligations shall be excused during the period of force majeure. Such party shall immediately give written notice to the other party of the date of inception of the force majeure condition and the extent to which it will affect performance.

After a period of force majeure, Buyer and Vendor may execute a Change Order reflecting a mutually agreeable adjustment in the delivery date. After thirty (30) cumulative days of force majeure affecting Vendor's performance, Buyer may cancel this order in whole or in part, and Buyer shall have no liability to Vendor for costs or damages arising out of such cancellation.

## **13. PAYMENT**

At time of shipment Vendor shall submit invoices for payment. Except as provided elsewhere in this Order, original payment of such invoices shall be made promptly upon receipt of the Goods or proof of shipment. Proof of shipment is the carrier's signed freight bill or similar document evidencing shipment of Goods to Buyer. The time for payment of invoices, less any discounts offered, shall run only from date Buyer receives a correct invoice and the Goods or proof of shipment.

## **14. RIGHT OF OFFSET**

Upon written notice, any sum payable to Vendor by Buyer under this Order may be set off by Buyer against any sum payable to Buyer by Vendor under this Order or other agreements between Buyer and Vendor.

## **15. SAUDI ARAMCO AS BENEFICIARY**

Vendor understands that Buyer is contracting with Vendor for the purchase of Goods for ultimate sale to and use by Saudi ARAMCO in Saudi Arabia. Vendor agrees that all rights of Buyer hereunder shall run to the benefit of and be fully enforceable by Saudi ARAMCO.

## **16. TAXES**

All taxes arising out of this transaction shall be borne by Vendor. Vendor warrants that the purchase price is in accordance with applicable government pricing regulations and is exclusive of import tariffs and other taxes not levied on export orders.

## **17. PROTECTION AGAINST INFRINGEMENT**

Vendor warrants that the Goods do not infringe any patent rights, copyrights, trademarks or trade secrets owned or controlled by any third party, either in the country of manufacture or use. Vendor agrees to defend, indemnify and hold harmless Buyer and its affiliated and related companies against any and all liability, loss or expense arising out of a patent, copyright, trademark infringement or trade secret misappropriation claim relating to the Goods.

## **18. CONFIDENTIALITY OF INFORMATION**

Vendor shall safeguard, treat as confidential, and shall not divulge any of Buyer's Data to anyone other than Vendor's suppliers and persons designated in writing by Buyer, so long as, and to the extent that, such of Buyer's Data does not become part of the public domain, does not correspond to information furnished or made known to Vendor on an unrestricted basis by a third party, or was not within Vendor's possession at the time of disclosure.

Should Vendor or any of its suppliers desire to publish or release any publicity or public relations material of any kind concerning or relating to this Order or to Vendor's or its suppliers' activities in connection with this Order, Vendor shall first submit such material to Buyer for review. Vendor shall not publish or release, and shall insure that its suppliers do not publish or release, any such material without Buyer's prior written approval.

Vendor shall not transmit, disclose, ship, export, or re-export either directly or indirectly Buyer's Data, or any direct product based on or resulting therefrom (including but not limited to equipment, plant, process or service) to any destination to which the transmission, disclosure, shipment, export or re-export of technical data is proscribed under the laws of the United States. Vendor shall obtain identical undertakings from any person who is given access by Vendor to any of Buyer's Data.

## **19. TITLE TO TECHNICAL DATA**

Buyer's Data shall remain Buyer's property and shall be returned upon Buyer's request. All designs, drawings and calculations prepared by Vendor for Buyer shall become Buyer's property. All rights to any invention, process or technology developed for this Order shall become Buyer's property.

## **20. CONFLICT OF INTEREST**

Except for customary promotional material and occasional business entertainment, limited in value in any instance to the reasonable cost of a lunch or dinner, Vendor shall not give, directly or indirectly, any money, personal services, credit, or other thing of value to Buyer or any employee of Buyer or its affiliated or related companies, or to its agents or contractors, in order to influence the award of this Order, its terms, performance, administration, extension or cancellation.

Vendor by acceptance of this Order confirms that to the best of its knowledge no such gifts have been made, that it will use its best efforts to ensure, that none is made and that it will inform Buyer at once should it hereafter learn that any such gift has been made.

Any violation of this provision shall constitute a material breach of this Order which, without prejudice to Buyer's right to enforce any other remedy provided by law, shall empower Buyer to cancel this Order and claim damages, including, but not limited to, increased costs incurred by Buyer as a result of such breach.

## **21. SUPPLIER CODE OF CONDUCT**

Vendors, Manufacturers, Contractors and Sub-Contractors:

Buyer is committed to the highest ethical and legal standards in the conduct of its business. Buyer requires all registered vendors, manufacturers, contractors and sub-contractors with whom Buyer conducts business to acknowledge and agree

to abide by the policies and principles set forth in the Aramco Services Company Supplier Code of Conduct. Vendors, manufacturers, contractors and sub-contractors must have a signed ASC Supplier Code of Conduct or approved waiver on file with Buyer in order to receive an Order or contract.

## **22. Export Controls**

So that Buyer can properly comply with applicable U.S. export licensing and export filing requirements, for each item of ordered merchandise, Vendor shall provide Buyer, at the time of Purchase Order acknowledgement, by part number, with (i) its complete export classification under either the U.S. Munitions List in the International Traffic in Arms Regulations (ITAR) of the U.S. Department of State, or under the Commerce Control List in the Export Administration Regulations (EAR) of the U.S. Department of Commerce; and (ii) its Schedule B number or Harmonized Tariff Schedule of the U.S. classification.

Where the export by the Buyer of any item of ordered merchandise will require the issuance of an export license or the granting of other necessary authorization by an applicable U.S. Government department or agency, Vendor shall cooperate with Buyer, as needed, in obtaining such license or authorization, and shall provide such information as may be necessary, in order to obtain the same.

## **23. CONTINUING OBLIGATIONS**

The provisions of the following clauses are continuing ones and their continuing, binding effect shall survive the completion or cancellation of this Order: Clauses 4, 15, 16, 17, 18, 19, 20, 21, and 22.