



Appendix 1

General Purchasing Conditions

Buyer and the Supplier are singly or collectively referred to as “Party” or “Parties” hereto as the context may require or admit.

1. Intended use/Representation:

- a) These General Purchasing Conditions (the “Conditions”) form part of the Purchase Order(s) (or “PO”) affixed hereto (hereinafter together the “Agreement”) entered into between Buyer and Supplier whose details are set out in the PO(s). By confirming the Purchase Order or by performing or supplying any goods and/or services set forth in the Purchase Order or invoicing pursuant to the Purchase Order, Supplier expressly agrees and accepts all terms of the Agreement;
- b) Buyer requires the supplies of the items at the prices listed in Purchase Order to be delivered to Buyer’s vessels at the ports or at any place as specified in the Purchase Order;
- c) Supplier, acknowledging that the intended supply function to be undertaken is an essential part of the shipping industry, represents:
 - (i) that it has the requisite experience, technical and financial capacity, and is ready and willing to provide the required supplies on the basis of and in accordance with this agreement and;
 - (ii) that the Supplier will adequately instruct its personnel at frequent intervals concerning safety regulations, proper work procedures and handling and use of safety equipment to ensure that everything reasonably possible is done to avoid personal injury, damage to the environment or to property and to the vessels covered by the supplies.

2. Service & Quality:

a) Basic Services:

Supplier undertakes that services are in the lawful trade for which it is registered to do business and all items supplied to be of the quality stipulated by the Buyer.

b) Supply:

- (i) Supplier undertakes to deliver promptly the goods or services, as the case may be, at the prices listed in the Purchase Order;
- (ii) The goods and services delivered are considered received when placed or provided at the delivery point specified in the Purchase Order and duly acknowledged and approved by the Buyer’s personnel authorised to receive such goods or services and the receipt for the goods or services shall be stamped;
- (iii) If the goods and services are to be delivered on board the Vessel, those goods and services delivered are considered as received when placed on board the Buyer’s concerned vessel (s) and duly acknowledged and approved by the Buyer’s personnel authorised to receive such goods and services and the receipt for the goods and services shall be stamped with the ship’s stamp duly signed and approved by the Buyer’s authorised personnel on board the vessel or as otherwise specified in the respective Purchase Order(s);
- (iv) Supplier is fully responsible for the quality and quantity of the goods and services, as the case may be and will replace any rejected goods or services at Suppliers cost;
- (v) Original receipt(s) are to be attached to Suppliers invoice(s) as supporting documentation.

c) **Independent Supplier:**

The entire operation, management maintenance, care and control of the services provided shall be under the sole control and responsibility of Supplier and its servants, subject always to the sole right of Supplier to determine whether any activity may be safely undertaken. Supplier is to perform at all times as an independent supplier, and it is agreed that neither it nor its employees, are servants, agents or employees of the Buyer.

The actual performance, operation, management and control of the supply shall at all times and without exception be done by Supplier, his agents and servants under the control and direction of the Supplier as to the method used, Buyer being interested only in the competent performance of the services agreed herein.

d) **Registration and right to do business :** Supplier shall throughout the duration of this Agreement maintain in full force and effect all necessary documents as required by its country of registry, and shall be solely responsible for qualifying, itself to do business in an applicable county or countries to enable Supplier to render the services contemplated herein.

3. **Safety Precautions :**

a) **Safety and Security Regulations:**

Supplier shall comply with applicable safety and security regulations including local rules that may be in force of all Government agencies having jurisdiction over the area wherein the Supplier operates.

b) **Special Safety and Security Regulations:**

Supplier shall also comply with any special safety and security regulations concerning Buyer's operations and any amendment and/or supplement thereof from time to time notified to Supplier in writing.

4. **Delivery, Title and Risk, Packing :**

a) **Incoterms:** Unless otherwise provided in Purchase Order, delivery terms for (i) the goods shall be DAP (Delivery At Place) or FOB (Incoterms 2010) at the delivery point and on the date stated in the Purchase Order with all necessary customs invoices and delivery notes (issued in duplicates in English), advice notes, bills of lading and other documents ordinarily accompanying such goods and (ii) the services at the delivery point and on the date stated in the Purchase Order.

b) **Title and risk:** Without prejudice to Buyer's rights and remedies herein, title and risk of the goods pass to Buyer, and Supplier remains fully responsible for, all goods until delivery, whereas title and risk of the services shall pass to Buyer upon confirmed completion of the services. Supplier remains responsible for all goods leased to Buyer.

c) **Packing, Marking, and Restricted Articles:**

(i) **Packaging requirements:** Unless it is set out differently in a Purchase Order all goods delivered (including each successive deliveries) shall be packed in non-wooden packaging, presented with a "Non-wooden Packaging Declaration" or alternatively approved wooden packaging, i.e. bark-free and heat or exporting Government approving the above treatment. In case above requirements are not complied with, Buyer has the right to reject the delivery or re-package the goods at Supplier's expense. All goods shall be delivered in a secure and appropriate packing suitable for domestic or overseas transport with due consideration to the generic nature and composition of the goods supplied. Each Purchase Order must be packed separately to ensure proper registration and receipt. Supplier is allowed to pack several Purchase Order (s) on the same pallet, as long as each Purchase Order is packed in its own package. Pallets containing packages for several Purchase Orders shall be labelled with an A4 sized sign "Mixed Pallet" or "Split Pallet". Supplier must pack multiple packages for a single Purchase Order on the same pallet. Supplier may not split a Purchase Order with multiple packages over several pallets unless the Purchase Order is so large that it fills one pallet and needs to be packed on a second pallet. Supplier shall otherwise follow any reasonable handling and packing instructions.

(ii) **Marking:** Each delivery shall be clearly marked with Buyer's name and address, Buyer's Purchase Order number, place of delivery, consignee and "Ship's spares in transit"(as applicable) on the exterior of the package(s) and be included in the documentation.

(iii) **Restricted Articles:** Restricted articles must be marked and packed according to the IMO/IATA/ADR/RID rules and regulations in force at the time of delivery. Likewise all documents/- certificates prescribed in IMO/IATA/ADR/RID must accompany the goods but should not be enclosed in the package(s).

5. Events of Default and Liquidated Damages:

- a) The Supplier shall be in default upon:
 - i) failure to deliver the goods and/or services in accordance with this Agreement and/or
 - ii) failure to observe and enforce the Safety Precautions referred to in clause 3 above;

The aforesaid defaults shall entitle Buyer to reject the goods or services and/or reorder them without prejudice to the right to terminate this Agreement.

- b) Buyer may at its discretion alternatively to termination demand that Supplier:
 - (i) pays Buyer a sum by way of liquidated damages of 5% (five per cent) of the total charges to be paid under the Purchase Order per day of delay, however such liquidated damages shall not exceed a total of 50% (fifty per cent) of the total charges of the PO in question and/or ;
 - (ii) Immediately delivers via the fastest means of transportation at the cost of Supplier (airfreight included).

6. Liability, Indemnities, Insurance and Warranties :

a) Liability:

Subject to the provisions of Clause 5, the Supplier is responsible for delay in commencement / delivery of the service and for delay during the currency of the Agreement and for loss or damage, if such delay or loss has been caused by negligence or want of due diligence and care on the part of the Supplier or his sub-suppliers, his servants or agents in making and maintaining the service throughout the duration of this Agreement or in respect of the provision, operation, or control of the service / supply.

b) Indemnities:

- (i) Supplier assumes responsibility for and agrees to defend and hold Buyer harmless from each and every demand, loss, claim, suit, or judgement for loss of or damage, and for injury to or death of any employees of Supplier, caused by or arising out of or in connection with Supplier's negligence during the operation of the service under this Agreement. Supplier shall not be liable for consequential loss or damage.
- (ii) Supplier shall defend, indemnify and hold harmless Buyer or its affiliates or Client(s) from and against all claims resulting from any proceeding brought against Buyer or its affiliates or Client(s) based on a claim that any goods or services, or their use in the manner intended by Supplier, infringe any patent or other intellectual property right. Supplier shall pay any judgment awarded as a result of any such proceeding against Buyer or its affiliates or Clients. If the use of any such goods as intended by Supplier is prohibited, Supplier shall, at its own expense, either obtain for Buyer and its affiliates and Clients the right to continue using such goods or services, replace it with a non-infringing item, modify it so it becomes non-infringing, or remove such items and refund the purchase price and all transportation and/or installation costs.

c) Insurance :

Supplier shall have and maintain insurance coverage in accordance with good international industry practices and applicable law, including Workman's Compensation/Employer's Liability, All Property Risk, Commercial General Liability including Contractual liability, All Risk cover for all goods and services provided by Supplier, Comprehensive Automobile Liability. Insurance as well as any other insurance which Supplier deem appropriate in connection with fulfilling the duties under these Conditions e.g. Professional Liability, Product Liability, Transport/Cargo Insurance,

Maintenance and Construction All Risk for the specific period at its expense with a reputable insurance company, properly safeguarding Supplier against its liability hereunder.

d) Warranties:

Supplier warrants and undertakes that:

- (i) the goods shall be new, of good quality and workmanship, free from defects and fit for the intended purposes, including complying with any applicable regulation and specifications, including applicable standards;
- (ii) the services shall be delivered in accordance with market standards and good professional practices or such other level of standards agreed between the Parties;
- (iii) Warranty period. The goods and services delivered shall comply with the warranties and undertakings in (a) and (b) above for 24 (twenty-four) months from the goods are taken into use or from the date of complete delivery of services whichever is later however no longer than 36 (thirty-six) months from delivery of the goods.

7. Assignment:

- a) **Buyer's right to assign rights and obligations:** Buyer is entitled to assign, subcontract or otherwise transfer its rights and obligations under the Agreement and any Purchase Order in whole or in part to any Buyer Group Entity and Buyer is entitled to assign or otherwise transfer its rights and obligations under any Purchase Order to any Buyer Group Entity or Client. Buyer shall within reasonable time of such assignment notify Supplier in writing hereof.
- b) **Supplier's right to assign rights and obligations:** Supplier shall not be entitled to assign or otherwise transfer any rights or obligations under the Agreement or any Purchase Order without the prior written consent of Buyer. Any such attempted assignment shall be void.
- c) **Assignment to Beneficiaries:** Buyer shall be entitled to assign the rights and benefits of any existing warranties and other representations and covenants hereunder to any third party buyer and/or beneficiary of Group entity.
- d) **Sub-contractors:** Supplier shall be entitled to use sub-contractors in the delivery or performance of the goods and services however Supplier shall be liable for all acts and omissions of its sub-contractors (including any sub-sub-contractors) to the same extent as Supplier is itself liable to Buyer.

8. Compliance with Laws :

- a) In the performance of all work, hereunder, Supplier shall comply with and shall ensure that all Sub contractors comply with all applicable laws, rules and regulations of its country of registration and all Government bodies having jurisdiction over the supply area covered by this Agreement;
- b) Supplier shall comply with and shall ensure that all subcontractors comply with all national or international orders, conventions, including without limitation the Maritime Labor Convention directives or ordinances in force from time to time which are applicable to the delivery or performance of services and/or relate to the provision, licensing, approval or certification of the goods or services, including but not limited to those relating to anti-corruption, occupational health and safety, environmental matters, wages, working hours and conditions of employment, International Bill of Human Rights, sub-contractor selection, discrimination, data protection and privacy;
- c) As regards this agreement the Supplier shall :
 - (i) comply with all applicable anti-corruption laws and regulations, including without limitation the US Foreign Corrupt Practices Act and the UK Bribery Act of 2010 and;
 - (ii) undertakes and warrants to the Buyer that it and its officers, directors, shareholders, employees, agents and other intermediaries, and any other person acting directly or indirectly on its behalf, shall not, directly or through third parties, give, promise or attempt to give, or approve or authorize the giving of, anything of value (including facilitation payments) to any person or any entity where such action would be prohibited by applicable law for the purpose of (i) securing any improper advantage for Supplier or Buyer, (ii) inducing or influencing a Public Official improperly to take action or refrain from taking action in order for either Party to obtain or retain business or to secure the direction of business to either; or (iii) inducing or influencing a Public Official to use his/her influence with any Government or public international organization for such purpose.

9. **Payment:**

- a) Subject to the provisions of this Agreement, Buyer shall pay to the Supplier in accordance with the table specifying the prices, description, specifications etc. set out in Purchase Order;
- b) Items are priced for the correct unit of measurement and specification without alternatives;
- c) **Invoicing and Payments:**
 - (i) Supplier shall furnish UASC with an invoice covering all applicable charges in respect of the services with full supporting documents. Discounts (if applicable) to be shown and applied on all invoices;
 - (ii) Invoices shall be paid within **60 days** from date of receipt of invoices by Manager – Accounts Payable Department, Dubai, United Arab Emirates unless otherwise stated in the respective Purchase Order/s.
 - (iii) All invoices and any query related to payments, Supplier will communicate and send to **Accounts Payable Dept. Dubai Office** as per the below address:

UNITED ARAB SHIPPING COMPANY (S.A.G.)
ATTENTION: ACCOUNTS PAYABLE DEPARTMENT
P.O. Box 55586, Dubai, UAE
Email: accounts.payable@uasc.net Tel No: 009714 6022466 (Accounts Payable)
009714 2952626/2952525 (Operator)
 - (iv) Disputed invoices will be withheld and payment will be arranged only after receipt of satisfactory response to queries and Buyer will not be responsible for any delay in payment on this reason;
 - (v) All payments to supplier shall be remitted to the A/c details as specified in the Invoice;

10. **Taxes:**

Supplier agrees to assume all responsibility and liabilities as an employer otherwise and will pay all taxes measured by income assessed against it or its employees by the government having proper jurisdiction or any other government having or claiming to have jurisdiction and other entities, national, regional or local, if any.

11. **Force Majeure :**

- a) Should either Party be delayed or prevented from performing any of its obligations due to any event of Force Majeure including without limitation, war, invasion, rebellion, riot, civil war, labour disputes and strikes, act or threatened act of terrorism, earthquakes and other similar acts of nature, then the Party's duty to perform those obligations affected by the event of Force Majeure shall be excused throughout the delay resulting from occurrence of such an event;
- b) Extra cost or losses incurred by a Party as a result of the occurrence of such an event of Force Majeure shall be borne by such Party;
- c) In the event that either Party wishes to invoke Force Majeure that Party shall, within 15 days after the occurrence of the event of Force Majeure has become known to that Party send written notice of such event to the Other Party. The Party affected shall take appropriate measures within the shortest possible time to attempt to resume performance of the obligations affected by the event of Force Majeure;
- d) If any event of Force Majeure extends up to 45 days, either Party may terminate this Agreement with immediate effect without thereby incurring any obligations or liability to the Other Party for doing so. The accounts up to the date of such termination shall however be settled strictly in accordance with the provisions of this Agreement.

12. **Notices:**

All notices and communications required to be given to Buyer shall be sent to:

UNITED ARAB SHIPPING COMPANY (S.A.G.)
P.O. Box 55586 Deira -Dubai
United Arab Emirates
Telephone (+971-4) 6022165
Fax (+971-4) 2952626/2952525 (Operator)

Attention **Mr George Lucas**
Title: Fleet Purchasing Manager
Email: CPCD-Purchase@uasc.net

Notices may be sent by, email when practical and shall be effective from the date of receipt and changes of address for notice purposes can be made in the same manner.

13. Waiver:

This Agreement supersedes all prior oral and written understandings and agreements relating to the services to be performed and expresses the entire agreement of the Parties.

The failure of either Party to insist upon strict performance by the other of any provisions hereunder shall not be deemed or construed as in any way effecting the right to require such performance.

14. Fees and commission:

The parties to the Agreement agree that they shall not:

- (i) Offer or pay any fee, commission, bribe, rebate or any other consideration to any third party including but not limited to any employee, contractor, supplier, vendor, alliance partner or other business associate of the other party in relation to any matter under this Agreement;
- (ii) Directly or indirectly offer or accept in respect of any goods or services sold or purchased or other business transacted any discount, rebate, commission or other inducement (whether in cash or in kind) which is not authorised by the other party from time to time and if either party or any firm or company in which it holds any material interest shall obtain any such discount, rebate, commission or inducement, the party concerned shall immediately account to the other party for the amount so received.

15. Confidential Information :

Supplier agrees that no third party shall have access to any confidential information made known or available to Suppliers employees concerning Buyer's business. Supplier warrants that its employees (including its agents, sub-contractors etc.) are under obligation not to disclose such information to third parties and agrees that this obligation shall survive the termination of this Agreement.

16. Survival of Agreement :

Any release, indemnity or any obligation of confidence under this Agreement is independent and survives termination of this Agreement. Any other term and condition that by its nature is intended to survive termination of this Agreement survives termination of this Agreement, unaffected by anything that might have the effect of prejudicing, releasing, discharging or affecting in any other way the liability of the party giving the indemnity.

17. Law and arbitration:

- a) The interpretation, construction and enforcement of this Agreement and all rights and obligations between the Parties to this Agreement shall be governed by laws of UAE;
- b) Any dispute arising from or in connection with this Agreement shall be referred to arbitration in Dubai Chamber of Commerce, Arbitration Wing or Dubai International Arbitration Centre, Dubai;
- c) One arbitrator is to be nominated by each Party and in the event the arbitrators cannot agree, the case is to be transferred to an umpire to be nominated by them. The award of the arbitrators or of the umpire shall be final and binding upon the Parties and shall be enforceable in any court in which jurisdiction is exercisable.

18. Section Titles and Definitions :

- a) **Section Titles:** All section headings and titles contained herein are for convenience only and are to be disregarded in the interpretation and construction of this Agreement.

b) **Definitions :**

- (i) "**Buyer**" means the legal entity which has entered into the Purchase Order with Supplier;
- (ii) "**Client**" means a legal entity or natural person to whom Buyer provides or shall provide goods or services;
- (iii) "**Government**" means any national, regional or local government including any department, agency or other body thereof, and any enterprise owned, managed or otherwise controlled by any government agency or body;
- (iv) "**Group Entity**" means Buyer including its respective affiliates and associated companies;
- (v) "**Public Official**" means any (a) appointed official or any director, officer or other person employed in any capacity (i) at any level of Government, (ii) in a labour union controlled by any Government or political party, or (iii) in any public international organization, such as the United Nations or the European Union, including any department, agency or other body thereof, (b) any candidate or officer or other person employed by a political party, or (c) any person acting in any official capacity for or on behalf of any person or organization listed in (a) or (b).
