

Terms & conditions for the purchase of goods and services

Terms & conditions for the purchase of goods and services continued

At Wafi, we consider good business to be about relationships, and trust to be at the heart of good business relationships and practice. The people and companies you trust and have good working relationships with are those you do the best business with. A contract represents the formal basis for trust between the parties who sign it. For all parties to commit to it, a contract must be an accurate account of the agreement reached; and, for it to be read and understood, it must be written in terms that are accessible and familiar. This document aims to honour that trust by laying out its terms and conditions as clearly and unambiguously as possible.



Terms & conditions – Wafi

These terms and conditions apply to the contract between **COMPANY** and **CONTRACTOR**. This contract may be in the form of a purchase order or a work statement (the contract).

These terms and conditions are binding between **COMPANY** and **CONTRACTOR**; they supersede and replace any **CONTRACTOR** terms and conditions or previous contracts for any goods or services (defined as scope in the contract). If the parties to this contract agree any special terms, those terms should be documented and added to the purchase order terms – or a further contract should be drawn up containing those special terms. Where these terms and conditions are attached to or incorporated in a contract issued under an existing contract, the terms and conditions of that existing contract will overrule those of the later contract.

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What we mean by some of the words used
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1 Definitions



This section gives the meaning of words and expressions (presented here in bold) that are used in the contract. Any word that appears in *italics* is defined elsewhere in this section.

Acceptance is the point at which **COMPANY** accepts *scope* (the goods to be delivered or the *services* to be performed) in writing – or is considered to have accepted *scope* in the manner set out in the contract.

Affiliate of a *person* is any other *person* who

(b) directly or indirectly controls or is controlled by the first *person* or

(c) is directly or indirectly controlled by a *person* who also directly or indirectly controls the first *person*

A *person* controls another *person* if that first *person* has the power to manage the other *person*, or to influence the way in which they are managed – this can be directly or indirectly, through one or more intermediaries or in other ways. This control may be exerted by ownership of shares or other equity interests, the holding of voting rights or contractual rights, by being the general partner of a limited partnership, or otherwise.

Agency personnel are those contractor personnel who are not direct employees but are working under the direct control and supervision of contractor group.

Anti-corruption laws include the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, and all other *applicable laws* that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of any *government official* or any other *person* – these laws also prohibit providing unlawful gratuities, facilitation payments, or other benefits to such people.

Applicable data protection law covers all laws, rules, regulations, governmental requirements, codes, as well as international, federal, state, provincial laws that apply to **COMPANY** when acting as a controller or processor of *personal data*.

Applicable laws may apply to a *person*, property, or circumstance, and may be amended from time to time. *Applicable laws* include:

- (a) statutes (including regulations enacted under those statutes)
- (b) national, regional, provincial, state, municipal or local law
- (c) judgments and orders of courts of competent jurisdiction
- (d) rules, regulations and orders issued by *authorities*
- (e) regulatory approvals, permits, licences, approvals and authorisations

Authorities refers to the government and any county, municipality, local government or other political subdivision, instrumentality, ministry, or department that has jurisdiction over any part of *scope*, or any county, municipality, local government or other political subdivision of any of these listed.

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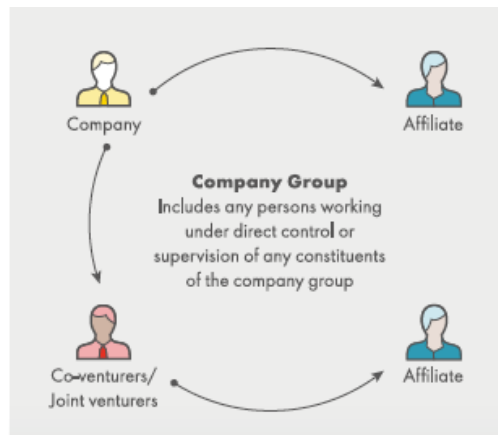
Books and records include books, accounts, contracts, records and documentation, in electronic format or otherwise, relating to the contract and performance of *scope*.

Company indicates Wafi Energy Pakistan Limited (Formerly known as Shell Pakistan Limited) (“Wafi”)

Company group indicates **COMPANY** and

- (a) its *co-venturers* and *joint ventures*
- (b) any *affiliate* of **COMPANY** (and its *joint ventures*, or its *co-venturers*)
- (c) any director, officer, employee, or other individual working under the direct control and supervision of **COMPANY** (and its *joint ventures*, or *co-venturers*), or the *affiliates* of **COMPANY** (and its *joint ventures*, or *co-venturers*). A reference to *company group* includes a reference to each of its member individually.

Company provided items indicate materials equipment, services or facilities provided by **COMPANY** to **CONTRACTOR** to perform scope.



Confidential information is data, software and all technical, commercial, financial, legal or other information, and items that record such data, software or information disclosed by or on behalf of *company group* to *contractor group*, all *work product*, *personal data*, and *scope*, and the terms of the *contract*.

Consequential loss covers:

- (a) indirect or consequential losses
- (b) loss of production, loss of product, loss of use, and loss of revenue, profit or anticipated profit, whether direct, indirect or consequential, and whether or not the losses could have been foreseen at the time of entering into the contract

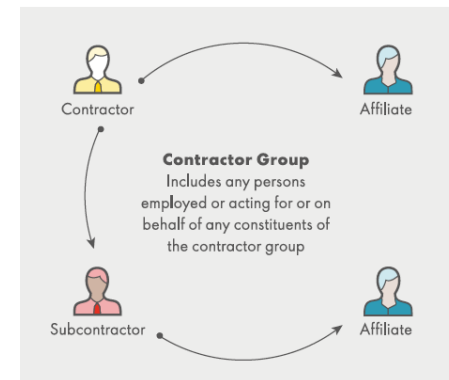
Contract price is the total amount that **COMPANY** is due to pay **CONTRACTOR** under the contract.

Contractor equipment refers to any machinery, plant, tools, equipment, goods, materials, supplies and other items (including all appropriate associated spare parts, storage containers, packing and securing) owned or contracted for by *contractor group* unless the ownership of these items has not passed and will not pass to **COMPANY** under the contract.

Contractor group includes **CONTRACTOR** and:

- (a) its *subcontractors*
- (b) any *affiliate* of **CONTRACTOR** or its *subcontractors*
- (c) any director, officer, employee, other *person* or *agency personnel* employed by or acting for and on behalf of **CONTRACTOR**, its *subcontractors* or the *affiliates* of **CONTRACTOR** and its *subcontractors*.

A reference to *contractor group* includes a reference to each of its members individually.

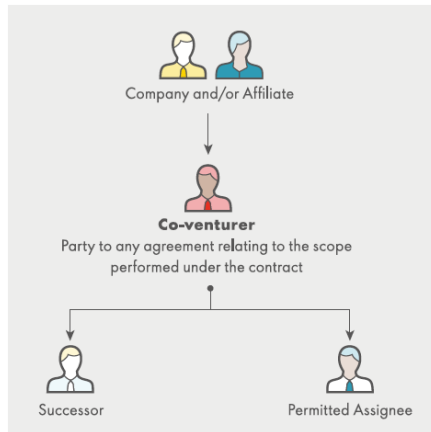


Contractor personnel indicate any individual provided by *contractor group* whether directly or indirectly and assigned to work in connection with the performance of *scope*. That individual may or may not be an employee of *contractor group*.

Co-venturer is any *person* who is a party to a *joint venture*, joint operating agreement, production sharing arrangement or similar agreement or arrangement solely for the purposes of such agreement or arrangement with **COMPANY** or any of its *affiliates*. A reference to *co-venturer* includes a reference to each *co-venturer* individually and to their respective successors and permitted assigns (the people to whom the property or interest of a *co-venturer* may be transferred).

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Force majeure event is an event that cannot reasonably be anticipated or avoided – the contract sets out what



events qualify as *force majeure events*.

Goods cover the goods, materials, products and equipment **CONTRACTOR** is to supply under the contract.

Government official is a term that covers:

- (a) any *official* or employee of any government, or any *agency*, ministry, or department of a government (at any level)
- (b) anyone acting in an official capacity for a government, regardless of their rank or position

(c) any official or employee of a company wholly or partially controlled by a government (e.g. a state-owned oil company), political party, or any official of a political party

(d) any candidate for political office, or any officer or employee of a public international organisation (e.g. the United Nations or the World Bank)

(e) any immediate family member (meaning a spouse, dependent child or household member) of any of the people identified in (a) to (d)

Health, Safety, Security and Environment (HSSE) standards include:

- (a) all HSSE policies, manuals, standards, rules and procedures – as communicated to **CONTRACTOR** by or on behalf of the **COMPANY** – designed to manage HSSE risks during performance of *scope* under the contract
- (b) all *applicable laws* relating to HSSE

Indemnify is to release, save, defend and hold harmless.

Indirect taxes include:

- (a) value added tax
- (b) goods and *services* tax
- (c) sales tax or similar levy

Insolvency event is if or when a *person*:

- (a) stops or suspends, or threatens to stop or suspend, payment of all their debts or a material part of their debts, or is unable to pay their debts as these fall due
- (b) ceases or threatens to cease to carry on all or a substantial part of their business

(c) begins negotiations for, starts any proceedings concerning, proposes or makes any agreement for reorganisation/compromise/deferral/general assignment of, all or substantially all of their debts

(d) makes or proposes an arrangement for the benefit of some or all of their creditors of all or substantially all of their debts

(e) takes any step with a view to the administration, winding up, or bankruptcy of that *person*

(f) is subject to an action that involves securing possession of all, or most of their assets, or selling these off to pay a debt, or any similar process, including the appointment of a receiver, trustee in bankruptcy, or similar officer

(g) is subject to any event under the law of any relevant jurisdiction that has an analogous or equivalent effect to any of the *insolvency events* listed above

Intellectual property (IP) rights cover patents, copyrights (including rights in computer software), database rights, design rights and rights in proprietary technical information and i know-how, tradesecrets and inventions, trademarks, servicemarks and design marks, whether these are all registered or not, including all applications for any of them and all equivalent rights in all parts of the world; these rights apply in all circumstances and at any stage of their full term, and include any divisions, re-issues, re-examinations, continuations, continuations-in-part, and renewals.

Joint venture refers to any entity:

- (a) which itself is not an *affiliate* of **COMPANY**
- (b) in which an *affiliate* of **COMPANY** has a direct or in direct ownership interest
- (c) the activities of which are related to *scope*

Terms & conditions for the purchase of goods and services continued

Liabilities cover liabilities for all claims, losses, damages, costs (including legal fees) and expenses.

Liens is a French word that identifies the right of a *person* to keep possession of attachments, charges, claims or other rights or interests against *scope* or property of *company group*.

Liquidated damages are the sums of money agreed in the contract that **CONTRACTOR** must pay to **COMPANY** if certain events or obligations specified in the contract are not achieved or are not achieved in the time agreed.

Other Contractor identifies any other contractor engaged by **COMPANY** to perform work at the worksite.

Other permitted buyer refers to:

- (a) *joint ventures*
- (b) *Wafi contractors*

Person refers to a human being or a legal entity – including any partnership, limited partnership, limited liability **COMPANY**, corporation, firm, trust, body corporate, government, governmental body or *agency*, or unincorporated venture.

Personal data covers all information relating to an identified or identifiable individual (unless another definition has been agreed for it under *applicable laws*).

Prohibited parties refers to all parties set out in the list available at Wafi Code of Conduct - Prohibited Parties.

Restricted jurisdiction relates to countries or states that are subject to comprehensive economic or trade sanctions, restrictions, or embargoes (which the relevant *authorities* may amend from time to time), as set out in the list available at Wafi Code of Conduct - Restricted Jurisdiction.

Restricted party refers to:

- (a) any *person* resident, established or registered in a *restricted jurisdiction*

(b) any *person* classified as a US Specially Designated National or otherwise subject to blocking sanctions under *trade control laws*

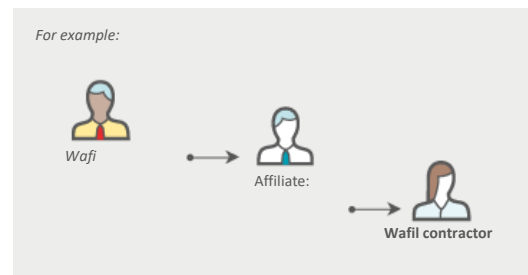
(c) any *affiliates* of such *persons*

(d) any *person* acting on behalf of a *person* referred to in any of the three categories given under this entry

Scope refers to all activities and obligations performed under this contract including *goods* to be delivered or the *services* to be performed by or on behalf of **CONTRACTOR** under this contract, and any *work product* provided.

Services are those to be supplied by **CONTRACTOR** under the contract, including the results of those *services*.

Wafi contractor refers to a person acting as a



CONTRACTOR of an *affiliate* of **COMPANY**.

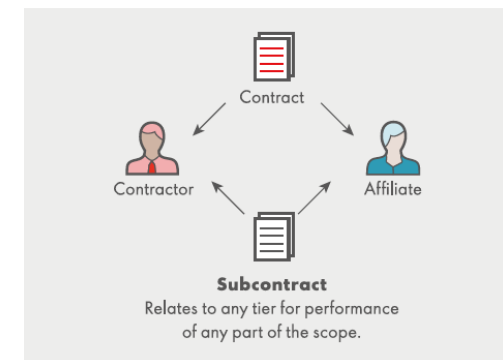
Software includes any *software* that forms part of *scope* or is necessary for the intended use of *scope*; the term includes the database and all machine codes, binaries, object codes or source codes (whether in a machine or human readable form), and all improvements, modifications, and updates, flow charts, logic

diagrams, passwords, and output tapes, and any future updates, releases and generally available associated *software* items, together with the licence to use them or ownership rights in them.

Standards of practice is a term used with reference to *scope* and the performance of *scope* to define the sound standards, methods, skill, care, techniques, principles and practices that are recognised and generally accepted in the international energy industry.

Subcontract refers to any contract between **CONTRACTOR** and a *subcontractor* or between a subcontractor and another *subcontractor* of any rank or level for the performance of any part of scope; the term includes any specific contract (or call-off) under framework agreements of **COMPANY** or an *affiliate* of **COMPANY** and supply agreements for materials.

Subcontractor identifies any party to a subcontract, other than **COMPANY** and **CONTRACTOR**, including any employers of



agency personnel (except as explicitly provided otherwise).

Terms & conditions for the purchase of goods and services continued

Taxes covers all taxes, duties (import, export, customs, stamp or excise – including clearing and brokerage charges), levies, charges, surcharges, withholdings, deductions, or contributions that are imposed or assessed by any competent authority of the country where *scope* is performed or any other country in accordance with *applicable laws*.

Trade control laws covers all *applicable laws* concerning trade or economic sanctions or embargoes, *restricted party lists*, trade controls on the import, export, re-export, transfer or otherwise trade of goods, *services*, *software*, or technology, including those of the European Union, the United Kingdom and the United States of America.

Variation is a modification, alteration or deletion of all or part of *scope*, or an addition to it.

Variation assessment is a proposal prepared by **CONTRACTOR** which relates to a *variation* and provides full detail of:

- (a) the impact of the proposed *variation* on *scope*
- (b) a detailed schedule for the performance of adjusted *scope*
- (c) the effect on the *contract price* (if any), determined in accordance with the contract
- (d) any other information **COMPANY** concludes is necessary for its evaluation

Variation order is a written order for a *variation* that **COMPANY** has authorised.

Work product refers to any and all information, reports, data, databases, drawings, computer programs (including source code, object code and documentation), semi-conductor topography, mask work, spread sheets, presentations, analyses, results, conclusions, findings, solutions, calculations, studies, concepts, codes, manuals, inventions, models, designs, prototypes, magnetic data, flow charts, recommendations, working notes, specifications or other information, documents, materials, or *goods* which arises or is made, created, generated or discovered under the *contract*, in connection with *scope*.

Worksite describes the lands, waters, and other places on, under, in, or through which *scope* or activities in connection with *scope* are to be performed; the term includes manufacturing, fabrication or storage facilities, offshore installations, floating construction equipment, vessels, offices, workshops, camps or messing facilities – it does not include any lands,

waters or other places used during transportation to and from *worksites*.

Commercial terms and conditions

2 What we require in relation to scope



This contract is non-exclusive and carries no requirement for **COMPANY** to purchase any minimum quantities. **COMPANY** may acquire same or similar scope from other suppliers.

3 What we require from contractor in relation to goods



(a) **CONTRACTOR** guarantees that *goods* supplied in connection with the performance of *scope* will:

- (i) be without fault, defect, or deficiency
- (ii) be new on delivery, unless otherwise specified in the contract
- (iii) be fit for use for any purpose specified in the contract
- (iv) conform strictly with the contract and any specification, drawing, or other description supplied by **COMPANY** to **CONTRACTOR** and agreed to as part of the contract.

(b) **CONTRACTOR'S** warranty for *goods* applies to all defects arising within 12 months of **COMPANY'S** *acceptance of goods* unless a different period is given in the *scope* description.

(c) After **COMPANY'S** *acceptance of goods*, the warranties set out in this clause (Clause 3) replace all other warranties expressed or implied by statute, common law, custom, usage or otherwise.

(d) In any case where International Commercial Terms (Incoterms) are specified, **CONTRACTOR** retains risk of loss of and damage to the *goods* until delivery is complete in accordance with Incoterms, or until the **COMPANY** takes physical possession of the *goods*.

(e) Ownership of the *goods* will pass to **COMPANY** as soon as either of the following occurs:

(i) risk of loss of and damage to the *goods* passing to **COMPANY**

(ii) **COMPANY** makes payment for the *goods*

(f) **CONTRACTOR** will pack the *goods* so that they may be transported and unloaded safely. **CONTRACTOR** agrees that, on delivery, the *goods* will have been accurately described, classified, marked, and labelled, in accordance with the contract, all *applicable laws* and *standards of practice*.

Terms & conditions for the purchase of goods and services continued

4 What we require from contractor in relation to services



4.1 Services warranties

(a) **CONTRACTOR** warrants that all *services* supplied in connection with the performance of *scope* will be:

- (i) performed in accordance with the contract
- (ii) fit for use for any purpose specified in the contract
- (iii) free from any defect or deficiency

(b) Unless a different period is specified in the *scope* description, **CONTRACTOR'S** warranty for *services* applies to all defects arising within 12 months of **COMPANY'S acceptance** of the *services*.

(c) Following *company's acceptance* of *services*, the warranties set out in this clause (Clause 4) replace all other warranties expressed or implied by statute, commonlaw, custom, usage or otherwise.

(d) **CONTRACTOR** will supply *services* diligently, efficiently, and carefully, in a good and professional manner, and in accordance with the contract and all *standards of practice*. **CONTRACTOR** will provide all skills, labour, supervision, equipment, goods, materials, supplies, transport and storage required for *services*.

4.2 Contractor personnel in connection with services

Where **COMPANY** requires, **CONTRACTOR** will at its own expense perform security background checks and obtain entry credentials for *contractor personnel* on *company group worksites*.

5 Our procedure for invoicing and payment



(a) **COMPANY** agrees to pay the contract price to **CONTRACTOR** in the currency specified in the Schedule of Prices, and at the times and in the manner specified in this clause (Clause 5). The *contract price* is all-inclusive except for value added tax or sales tax.

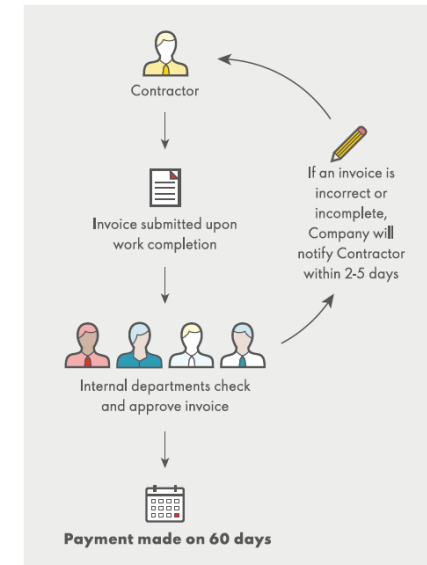
(b) **CONTRACTOR** will invoice only after *acceptance* of *scope*, unless other arrangements have been agreed in the contract.

(c) **COMPANY** will pay **CONTRACTOR** any undisputed amount within the time period specified in the contract after it has received a correct and adequately supported invoice (i.e., it has been filled out correctly and contains all the necessary documentation). It takes **COMPANY** 2–5 days to establish whether an invoice is adequately supported, and those days are counted as part of the standard payment term of 60 days after an invoice has been received. **COMPANY** would need to approve any alteration to this standard payment term in advance and in writing.

(d) Payment of an invoice is not:

- (i) by itself either an agreed satisfactory conclusion to the obligations of the contract or a limitation of the rights of the parties in connection with the matter
- (ii) acceptance of scope was performed in accordance with the contract

(e) If **COMPANY** disputes an invoice, **COMPANY** may withhold payment of any disputed part of an invoice and pay only the undisputed part. **COMPANY** may also, if notice is first given to **CONTRACTOR**, deduct from the invoice any *liabilities* between **CONTRACTOR** and **COMPANY** arising out of the contract.





6 Quality assurance




CONTRACTOR must have adequate quality assurance plans or methods in place to support its performance of *scope*.


Terms & conditions for the purchase of goods and services continued

 7 When a contractor needs access to company systems, information or infrastructure
Access to *company group's* information technology or resources (including *COMPANY'S* infrastructure) in order to perform scope, will require *CONTRACTOR* to sign and comply with *COMPANY'S* standard terms and conditions for access and security – unless the parties agreed otherwise in writing.

 8 Variations in relation to scope
COMPANY may request, or *CONTRACTOR* may initiate, a *variation assessment*. *CONTRACTOR* is not entitled to a variation for matters that were included in scope, or matters that *CONTRACTOR* agreed to perform or should take into account in connection with the contract. *COMPANY* may accept the *variation assessment* by issuing a variation order, or reject the *variation assessment*.


 9 Inspections, testing and acceptance of scope
(a) To confirm scope complies with the contract, *CONTRACTOR* will perform all tests and inspections required by the contract, *applicable laws* and, unless otherwise specified in the contract, *standards of practice*.
(b) *CONTRACTOR* will request *acceptance of goods* upon the completion of the delivery of these *goods*, or *acceptance of services* upon the completion of these *services*. *Acceptance* has occurred if one of the following takes place:


(i) *COMPANY* has notified *CONTRACTOR* in writing
(ii) 30 days has passed after *CONTRACTOR'S* request for *acceptance*
(iii) scope is put into commercial use by *company group*
Acceptance of goods/services marks the start of the warranty period. Other remedies that are included in the contract will not be affected by *acceptance of goods/services* and will continue to apply.

 10 Contractor's responsibilities if there are defects
If defects in scope are discovered, *CONTRACTOR* will provide a plan to remedy the defects and will remedy them as quickly as possible.
CONTRACTOR'S guaranties against defects are transferable, and *CONTRACTOR* will transfer to *COMPANY* all manufacturers' guaranties. Where guaranties against defects are not transferable, upon *COMPANY'S* request, *CONTRACTOR* will, on behalf of *COMPANY* or the organisation to which *COMPANY* transfers responsibility, pursue all guaranties that cannot be transferred.
In certain circumstances *COMPANY* may perform, or have others perform, some or all of the remedial actions, without prejudice to other remedies it may have. This may be when:
(i) emergency situations or other HSSE risks mean that remedial actions need to be carried out immediately
(ii) *CONTRACTOR* presents a plan which does not provide for a speedy enough completion of warranty work

(iii) *CONTRACTOR* does not complete the actions in the time agreed on the schedule
In these circumstances, *CONTRACTOR* will pay or promptly reimburse *COMPANY* for all costs
CONTRACTOR would have been liable for under the contract.

Legal terms and conditions

 11 Performance
CONTRACTOR will participate in business performance reviews established by the *scope* description or, alternatively, by *COMPANY'S* representative.

 12 Taxes
12.1 Contractor taxes
CONTRACTOR will be responsible for payment of all *taxes*, and any interest, fines or penalties for which *contractor group* is liable for:
(i) income, profits, assumed profits, capital gains, turnover, or supply arising directly or indirectly from the performance of scope and wages, salaries, and all other remuneration or compensation paid directly or indirectly to *CONTRACTOR PERSONNEL* in performance of the *CONTRACT* in the country where *SCOPE* is performed or any other country.
(ii) import or export of *contractor equipment*, or the movement of *contractor personnel* across national or territorial boundaries (including for example, visa or passport fees) related to performance of *scope*; and (iv) Stamp duty for stamping of the *contract* at the rate specified by the Stamp Act, 1899.

CONTRACTOR will ensure that any *subcontract* has terms and conditions relating to *taxes* similar to those provided in this Article

12.2 Indirect taxes

CONTRACTOR will add any *indirect taxes* to the invoice as a separate item, and *COMPANY* will pay them in addition to the *contract price*.

12.3 Withholding

(a) Where required under *applicable laws*, *COMPANY* will withhold *taxes* from amounts payable to *CONTRACTOR* and pay them over to relevant *authorities*. The sum of the *taxes* being withheld is a corresponding discharge of *COMPANY'S* liability to *CONTRACTOR* under

Terms & conditions for the purchase of goods and services continued

the contract.

(b) **CONTRACTOR** will provide copies of any valid exemption certificate it holds, or further information to demonstrate its entitlement to avoid the withholding; **COMPANY** may then rely on these to apply the exemption.



13 Liens (see section 1 for definition of this term)

CONTRACTOR warrants good and clear title to *scope* supplied. **CONTRACTOR** will not permit *contractor group* to place any liens or claim any *liens*. **CONTRACTOR** will immediately notify **COMPANY** and promptly remove any *liens* by *contractor group*.

14 Suspension



(a) **COMPANY** may suspend performance of all or part of *scope* for cause (see Clause 15 for explanation of 'for cause'). Written notice is required for such suspension, which takes effect immediately pending **COMPANY'S** decision on whether it has grounds to terminate the contract for cause. If there is suspending for cause, **CONTRACTOR** will not be entitled to any *variation* or other compensation.

(b) **COMPANY** may suspend performance of all or part of *scope* for convenience at its own discretion with seven days' prior written notice. **CONTRACTOR** may seek a *variation* if actions required by suspension affect the schedule or timing of *scope*.

(c) **COMPANY** may at any time withdraw by written notice all or part of a suspension; when this happens, **CONTRACTOR** will resume performance.

15 Termination

15.1 Termination by company for cause

(a) **COMPANY** may terminate the contract or part of *scope* for cause by written notice with immediate effect if:

(i) in the performance of the contract, *contractor group* breaches its own business principles or, if it has no equivalent principles, then Business Principles

(ii) *contractor group* violates *anti-corruption laws*, applicable competition laws, *trade control laws*, other *applicable laws* or *HSSE standards*, or causes **COMPANY** to be in violation of those laws or *HSSE standards*

(iii) *contractor group* becomes a *restricted party* or

(iv) **CONTRACTOR** is subject to an *insolvency event*,

(b) **COMPANY** may terminate the contract or part of *scope*



for cause if **COMPANY** determines **CONTRACTOR** materially breached the contract any way other than those set out in Clause 15.1(a). **COMPANY** will first provide written notice, which may require **CONTRACTOR** to remedy the breach; or **COMPANY** may terminate the contract if **COMPANY** determines the breach cannot be remedied in time, or it is not subsequently remedied.

15.2 Termination by company for convenience

COMPANY may terminate the contract or part of *scope* for convenience at its own discretion, as long as it does so with 30 days' prior written notice.

15.3 Termination by contractor for cause

(a) **CONTRACTOR** may terminate the contract if **COMPANY** fails to pay an undisputed amount to **CONTRACTOR** that is properly presented, due, payable for more than 60 days and exceeds 5% of the *contract price*. This assumes complete performance of the contract and is subject to:

(i) **CONTRACTOR** giving **COMPANY** written notice specifying the unpaid amount and requiring it to be paid within a further period of 14 days of such notice

(ii) **COMPANY** failing to make the payment or to provide proper grounds for non-payment during the notice period

(b) **CONTRACTOR'S** termination rights do not apply if **COMPANY** exercises a valid right to make a deduction from the invoice.

15.4 Contractor obligations on termination

Upon termination, **CONTRACTOR** will promptly cease performance of terminated *scope*, give access to *scope* in progress, avoid unreasonable interference with others, and take reasonable steps to allow **COMPANY** to complete *scope*. These steps include turning over all documentation for *scope* and *software* which was to be supplied in connection with the contract.

15.5 Compensation in the event of termination

(a) If **COMPANY** terminates the contract or part of *scope* for cause, **COMPANY** will determine and pay the amounts (minus any valid deductions) owed to **CONTRACTOR** for *scope* properly performed in accordance with the contract.

(b) If **COMPANY** terminates the whole of the contract for convenience, or **CONTRACTOR** validly terminates for non-payment, **COMPANY** will also pay reasonable, unavoidable and auditable costs that **COMPANY** has agreed elsewhere in the

Terms & conditions for the purchase of goods and services continued

contract to pay on termination for convenience by **COMPANY**

15.6 Exclusive reasons for termination

The parties waive any right to terminate, rescind or otherwise end the contract on grounds other than those set out in the contract.

16 Liquidated damages



Where any *liquidated damages* are set out in the contract, are genuine pre-estimates of the losses that may be sustained by failure of performance.

COMPANY may claim demonstrated general damages in any case where *liquidated damages* are unenforceable.

17 Liabilities and indemnities



(a) Any liability for loss of and damage to property and for *personal* injury, death or disease to any person that arises in connection with the contract will be determined in accordance with *applicable law*.

(b) Neither party will be liable to the other for that other party's own *consequential loss*, regardless of negligence or other fault unless *consequential losses* are caused by the disclosure of *confidential information* or liabilities related to *IP rights*.

18 Insurance



Before beginning performance, **CONTRACTOR** will arrange any insurance required by *applicable law*, and maintain that insurance in effect for as long as the contract lasts. If the obligation to procure insurance and perform other actions in connection with this clause is satisfied, this will not relieve **CONTRACTOR** of any other obligations or *liabilities*.

19 Compliance with applicable laws business principles, and HSSE standards



19.1 Applicable laws

The parties will comply with *applicable laws* in the performance of the contract and will notify each other of any material breaches.

19.2 Business principles

(a) **CONTRACTOR** acknowledges that it has actual knowledge of:

(i) the Standard General Business Principles, at Wafi Code of Conduct -Standard General Business Principles.

(ii) Company's Code of Conduct, at Code of conduct – Wafi.

- (iii) Helpline, at wafienergy.ethicspoint.com
- (b) **CONTRACTOR** agrees that *contractor group* will, in the performance of this contract, adhere to and notify **COMPANY** of violations of **CONTRACTOR'S** business if these are equivalent to **COMPANY'S** principles contained in the Standard General Business Principles. Where **CONTRACTOR** does not have equivalent principles, **COMPANY'S** principles will apply.

(c) If *contractor group* supplies staff that work on behalf of **COMPANY** or represent **COMPANY**, **CONTRACTOR** commits that the staff will behave in a manner that is consistent with the Company's Code of Conduct.

19.3 Anti-bribery and corruption

(e) **CONTRACTOR** affirms that, in connection with this contract and related matters:

(i) it is knowledgeable about *anti-corruption* and will comply with those laws

(ii) *contractor group* has not made, offered, authorised or accepted – and will not make, offer, authorise or accept

– any payment, gift, promise or other advantage, whether directly or through any other *person*, to or for the use or benefit of any *government official* or any other *person* where that payment, gift, promise or other advantage would comprise a facilitation payment or violate the relevant *anti-corruption laws*.

(b) **CONTRACTOR** will immediately notify **COMPANY** if **CONTRACTOR** receives or becomes aware of any matter that is prohibited by the preceding paragraph.

(c) **CONTRACTOR** affirms that no *person* in *contractor group* is a *government official* or other *person* who could assert illegal influence on behalf of **COMPANY** or its *affiliates*. If a *person* in *contractor group* becomes a *government official*, **CONTRACTOR** will promptly notify **COMPANY** and, should **COMPANY** request it, remove that individual from performance in connection with *scope*.

(d) **CONTRACTOR** will maintain adequate internal controls and procedures to ensure compliance with *anti-corruption laws*. This includes the ability to demonstrate

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compliance through adequate and accurate recording of transactions in its *books and records*.

(e) COMPANY will have the right to confirm compliance with *anti-corruption laws* and record keeping by audit. CONTRACTOR will keep *books and records* available for audit while the *contract* is in effect and thereafter for ten years after the termination of the contract.

19.4 Export and trade controls

(a) CONTRACTOR will comply with all applicable *trade control laws* and will provide COMPANY with necessary data to comply with *trade control laws*.

(b) CONTRACTOR will ensure that, except with the prior written consent of COMPANY:

(i) *company provided items* are not exported, provided or made available to any *restricted jurisdiction, restricted parties, or prohibited parties*

(ii) *contractor personnel* with access to COMPANY'S technical information, information technology resources (including *company's* infrastructure) or *company worksites* are not *restricted parties, prohibited parties*, or nationals of a *restricted jurisdiction*

(iii) CONTRACTOR will not use *subcontractors* that are *restricted parties or prohibited parties*

(iv) CONTRACTOR will not source any of the goods, software or technology in *scope* to be delivered or supplied to COMPANY under this contract, directly or indirectly, from *restricted parties, prohibited parties*, or a *restricted jurisdiction*

19.5 Personal data protection

(a) The parties may provide each other with personal data in the course of the performance of this contract. The processing and transfer of such data will be done in accordance with applicable data protection laws, and this contract. For the avoidance of doubt CONTRACTOR may not process, sell, retain, use or disclose the personal data for any purpose other than for the specific purpose of performing the scope specified in this contract or as required or permitted by applicable data protection law. CONTRACTOR certifies that they understand this condition and will comply with it. Each party is a 'data controller' as defined in applicable data protection law in respect of the personal data.

(b) *Personal data* processed by COMPANY is governed by the terms of the Privacy Notice - Business Customer, Supplier, Partner or Investors.

19.6 Health, safety, security, and environment (HSSE)

In performing scope at *company worksites*, or other location if specified in the HSSE standards, CONTRACTOR will, and will ensure that *contractor group* will, at all times:

(i) pursue Wafi's HSSE principle of Goal Zero

(ii) comply with IOGP 459 Life Saving Rules, available at iogp.org/life-savingrules/.

(iii) comply with other applicable *HSSE standards*

20 Confidential information



20.1 Obligations in connection with confidential information

(a) CONTRACTOR will not disclose *company group's confidential information* to any third party without the prior written consent of COMPANY, and will also use *company group's confidential information* only in connection with performance of the contract.

(b) Information that CONTRACTOR can prove, (i) when disclosing it, is either in the public domain or, in the possession of CONTRACTOR without binder of secrecy, or developed independently of COMPANY'S *confidential information* is not *confidential information*. CONTRACTOR'S obligations regarding *confidential information* will cease if CONTRACTOR can prove that the information had become part of the public knowledge through no fault of *contractor group* or is subsequently disclosed to CONTRACTOR without an obligation of confidentiality by a third party who has the legal right to do so.

(c) After expiration or termination of the *contract*, or on COMPANY'S request, CONTRACTOR will promptly return or destroy any *confidential information* and delete it from electronic storage, and delete or destroy all extracts or analyses that reflect any *confidential information*.

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20.2 Contractor information

Contractor group will not provide *company group* with any proprietary information. *Company group* will not have an obligation not to disclose or use information provided by *contractor group* except where the obligation is expressly stated elsewhere in the contract or through a separate agreement.

20.3 External communications

CONTRACTOR will not broadcast or publish any external communications related to the *contract*.

20.4 Mandatory Disclosures

If CONTRACTOR is required by any court, judicial, governmental, or regulatory body, or otherwise under *applicable laws*, to disclose any *confidential information*, CONTRACTOR, to the extent lawful to do so, shall: (a) promptly notify COMPANY of such disclosure requirement to allow COMPANY or a member of *company group* to oppose the requirement or to seek a protective order and/or take any other action to protect such information; (b) reasonably cooperate, if requested by COMPANY or a member of *company group*, in taking any of these actions at the COMPANY's or member of *company group's* reasonable cost and expense; (c) disclose only that portion of such information as CONTRACTOR is legally required to disclose; and (d) use reasonable endeavours to ensure that confidential treatment is given to such information.

21 Intellectual property



(a) Except for *IP rights* vested with CONTRACTOR as provided below, all right, title, and interest in and to *work product* hereby vests in COMPANY or its designee upon the generation, creation and/or discovery thereof, and shall be COMPANY's *IP rights*. In addition, all *IP rights* generated, created or discovered hereunder that use or are an improvement to *company group's IP rights*, or are generated, created or discovered using, or are an improvement to, *confidential information*, hereby vests in COMPANY or its designee upon the generation, creation and/or discovery thereof, and shall be COMPANY's *IP rights*. CONTRACTOR will execute, and will cause *contractor group* to execute documents, and take all other steps as may reasonably be necessary to document the ownership of COMPANY or its nominee in the *IP rights* to allow COMPANY to secure, protect, and enforce those rights for the benefit and full use by

company group. CONTRACTOR irrevocably waives, and will cause *contractor group* to irrevocably waive, any moral or similar, non-transferable rights that any *persons* in *contractor group* may have in *IP rights* vesting in COMPANY under this sub-article. All right, title, and interest in and to *work product* generated, created or discovered by CONTRACTOR in the performance of *scope* that are an improvement to CONTRACTOR's *IP rights* hereby vests in CONTRACTOR or its designee upon the generation, creation and/or discovery thereof, and shall be CONTRACTOR's *IP rights* and shall not be subject to the obligations of secrecy and restricted use set forth in the *confidentiality* provisions herein.

(b) CONTRACTOR, warranting that it is entitled to do so, grants to *company group* an irrevocable, non-exclusive, perpetual, worldwide, royalty-free right and licence, with the right to transfer, assign or grant sub-licences in any of CONTRACTOR's *IP rights* embodied in any *work product*, to use, have used, make, have made, sell, have sold, operate, have operated, possess, have possessed, import, have imported, export, have exported, copy, have copied, distribute, have distributed, modify, have modified, create derivative works of, have derivative works created of, improve, have improved, repair, have repaired, maintain, have maintained any *work product*. CONTRACTOR warrants that the sale, license, use or distribution by any member of *company group* of any *work product* or any other materials made available to *company group* by CONTRACTOR in connection with *scope* will not infringe or misappropriate the *IP rights* of any third party.

(c) CONTRACTOR will *indemnify company group*, assignees, transferees, and sublicensees permitted by this *contract* for any *liabilities* resulting from any claim that: (i) the *contractor group's* provision of *scope*; (ii) any *work product* provided to *company group*; or (iii) the use of such *work product* by any member of *company group*, infringes or misappropriates the *IP rights* of any third party.

22 Financial and performance audit

(a) COMPANY will have the right to audit:

- (i) invoiced charges and proper invoicing
- (ii) other *books and records*
- (iii) the performance of any other of CONTRACTOR'S

obligations under the contract, where it is possible for these to be verified by audit



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(b) Within 45 days of any audit finding, the parties will settle any amounts charged incorrectly, and **CONTRACTOR** will provide or re-perform any *scope* that the audit identifies as needing to be done.

(c) **CONTRACTOR** will keep *books and records* available for audit for whichever is the longer of the following periods:

(i) five years following termination of the contract or any longer period as required by *applicable laws*

(ii) two years after the period expires on any obligation of **CONTRACTOR** to perform or re-perform any *scope*

(d) **CONTRACTOR** will comply with any requirement in the contract for relevant *books and records* to be retained for longer period, in order to comply with *anti-corruption laws*.

23 Relationship of the parties



23.1 Independent contractor

CONTRACTOR is an independent **CONTRACTOR** in all aspects of performance under the contract. **CONTRACTOR** is responsible for the method and manner of performance to achieve the results required by the contract.

23.2 No business relationship

(a) The contract and its performance do not create a partnership or *joint venture*, and neither does the contract appoint either party to it as agent of the other. The contract does not permit **CONTRACTOR** to make any commitment on behalf of *company group*

(b) .

(b) **CONTRACTOR** and *contractor personnel* are not to be considered employees of *company group* and are not eligible to participate in any of *company group's* employee benefit plans.

24 Contractor personnel and subcontracting



24.1 Responsibility

CONTRACTOR is responsible for any *scope* performed by any *subcontractor* and all *contractor personnel*; all activities, omissions and defaults are to be treated as if they were the activities, omissions or defaults of **CONTRACTOR**.

24.2 Condition to subcontract and formation and content of subcontracts

CONTRACTOR may not *subcontract* any part of its obligations under the contract except as agreed in writing by **COMPANY** and **CONTRACTOR** will ensure that subcontracts are in all material respects consistent with the terms and conditions of the contract.

25 Assignment



A party can assign or novate (substitute a new legal obligation for an old one) all or part of the contract only with the written consent of the other party; the exception to this is that, provided **COMPANY** gives written notice to **CONTRACTOR**, **COMPANY** may assign and novate all or part of the contract to an *affiliate* without the consent of **CONTRACTOR**.

26 Force majeure



(a) If a *force majeure event* prevents performance of part of an obligation of the contract, **COMPANY** and **CONTRACTOR** are each excused from performance of the affected part of the contract, unless it was the fault of the party that contributed to the event or unless reasonable care and attention on the part of the party could have avoided or mitigated the circumstances that caused the event.

(b) Only the following are *force majeure events*:

(i) riots, wars, blockades, or threats or acts of sabotage or terrorism

(ii) earthquakes, floods, fires, named hurricanes or cyclones, tidal waves or tornadoes

(iii) radioactive contamination, epidemics, pandemics, maritime or aviation disasters

(iv) strikes or labour disputes at a national or regional level or involving labour not forming part of *contractor group* or *company group*, which materially makes the party claiming force majeure less able to perform the contract

(v) government sanctions, embargoes, mandates or laws that prevent performance

(vi) inability of a party to obtain, in time, licences, permits or the necessary consent of authorities for performance, unless there is an express provision otherwise in the contract

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(vii) non-performance of a party's *subcontractor* where the *subcontractor* has been or is affected by one of the above *force majeure events* – performance will only be excused under this sub-paragraph, however, if the parties to the contract agree that in the circumstances it is impracticable to substitute performance by another *subcontractor*

(c) If a party's performance is delayed or prevented, they will notify the other party and use reasonable endeavours to mitigate the effects of any *force majeure event*.

(d) **COMPANY** may terminate the contract or part of scope if any *force majeure event* results in a delay of more than 90 consecutive or 180 cumulative days.



27 Notices

All notices or other communications under the *contract* must be in English and in writing, and delivered in one of these four ways:

- (i) by hand
- (ii) sent by prepaid courier
- (iii) sent by registered post
- (iv) sent by email with a request for confirmation of receipt

Notices and communications are effective when actually delivered at the address specified in the *contract*.



28 Governing law, dispute resolution and remedies

28.1 Governing law

This *contract*, and any dispute or claim arising out of or in connection with this *contract* – or its subject matter or formation, including any non-contractual disputes or claims – will be exclusively governed by and construed in accordance with the laws of the Islamic Republic of Pakistan excluding conflict of law rules and choice of law principles that provide otherwise. The United Nations Convention on the International Sale of Goods will not apply to this contract.

28.2 Dispute resolution

(a) In the event of any dispute, difference, controversy, or claim of whatsoever nature arising under, out of or in connection with the *contract* or its subject matter or formation, whether in tort, contract, under statute, or otherwise, including any question regarding its existence, validity, interpretation, breach, or termination, and any non-contractual claims ("Dispute"), the parties shall meet and attempt in good faith to settle such Dispute, within seven working days of a written request from one party to the other party. The party alleging the Dispute shall give to the other party written notice setting out the material particulars of the Dispute delivered to the authorized representative(s) of the other party, as set out in the *contract*. A senior officer of each party shall represent that party at the meeting to resolve the Dispute.

(b) In the event that the parties are unable to resolve the Dispute, the parties shall seek settlement of the dispute by mediation through appointment of a mediator. The mediator shall be an accredited mediator of good standing with at least 15 (fifteen) years of experience as an Advocate of High Courts of Pakistan and a member of a reputable Alternative Dispute Resolution Center based in Karachi. The mediation shall be carried out in Karachi at a venue as may be mutually agreed by the parties.

(c) The party initiating submission of the Dispute for mediation shall provide the other party with a written notice (i) stating that it is submitting the Dispute for mediation; and (ii) nominating the person it proposes to be the mediator. Within seven (7) days of receipt of such notice, the receiving party shall respond, notifying the initiating party its acceptance or rejection of appointment of such nominated mediator. Failing agreement between the parties regarding the appointment of a mediator, the parties shall appoint one mediator each, and both of them shall collectively mediate the Dispute. The costs of appointment of the mediator(s) shall be borne equally by the parties, and each party shall bear its costs in preparing materials for, and making presentations to, the mediator(s).

(d) Each party is required to submit written materials to the mediator(s), with a copy to the other party, within seven (7) working days of appointment of mediator(s), setting forth (i) the description of the Dispute; (ii) a

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statement of the party's position, and whether a hearing is requested by such party; and (iii) copies of records supporting such party's position. The mediator(s) shall consider such information and shall be allowed reasonable opportunity to respond thereto. If the mediator(s) determines within fifteen (15) working days after submission of such written materials by both parties that proceedings are necessary to determine the Dispute, each party shall designate one (1) person knowledgeable about the issues in the Dispute who shall attend the proceedings on behalf of such party. The mediator(s) is required to provide a determination within sixty (60) working days of commencement of mediation, without prejudice to either party, and such determination and agreement reached between the parties shall be final and binding on both parties.

(e) If the Dispute is not settled within the prescribed time period, or such further period as the parties shall agree in writing, the parties shall irrevocably agree to submit to the exclusive jurisdiction of the courts of Karachi, Pakistan

29 Additional legal provisions

- (a) The parties retain their rights and remedies under *applicable laws* subject to any provisions in the contract that provide otherwise.
- (b) A provision of the contract may be waived only if made in writing by an authorised representative of the waiving party.
- (c) Provisions that state that they survive, or by their nature are intended to survive, completion of performance or termination of the contract do so, along with all remedies attached to them.
- (d) For amendments to the contract to be binding, they must be made in writing and signed by the parties' authorised representatives.
- (e) *Contractor group* or *company group* that is not a party to the contract is nevertheless entitled to enforce any rights conferred to it; they are not, however, required to consent to, amend or terminate those rights.
- (f) The contract sets forth the entire agreement between the parties concerning its subject matter and supersedes any other agreements or statements relating to the same subject matter, except those agreements or statements expressly referenced in the contract. Any confidentiality agreement relating to the subject matter will remain in effect for the duration of the contract, unless the contract allows it to be terminated or replaced.