

**ARAMCO AMERICAS COMPANY
STANDARD TERMS AND
CONDITIONS (FOR SAMREF
PURCHASES)**

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.

(c) NATURE OF AGREEMENT

- (a) This Order shall be considered accepted upon Buyer's receipt of the Acknowledgment Sheet signed by Vendor. However, 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. Any additions, limitations, or other modifications to this Order set forth in Vendor's quotation, acceptance or otherwise shall be of no force or effect unless set forth in this Order.
- (b) 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.
- (c) This Order contains all the terms and conditions applicable to this purchase and it supersedes any prior correspondence, proposals or agreements, written or oral, not set forth in this Order.
- (d) If any provision of this Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
- (e) No waiver of a right by either party shall be effective unless made expressly and in writing by such party.
- (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 Aramco Mobil Refinery Company LTD ("SAMREF"), 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 SAMREF 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.

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. SAMREF AS BENEFICIARY

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

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. 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 and 20.

VENDOR MARKING INSTRUCTIONS

1. GENERAL REQUIREMENTS

Markings must be clear and durable and confined to the identification described herein.

2. MARKING LOCATION AND SIZE REQUIREMENTS

PO Number:

Ship From Address:

Ship To Address:

No of Packages:

General Description: i.e. Electrical Parts, Valve, Medical Supplies etc.

Package Weight:

Package Dimensions:

Provide a label similar to the following:

Ship From:	ABC Company Inc. 1234 Street Houston, Texas 77777	PO: 4500001234
Ship To:	Aramco Americas Company Attn: SAMREF	No. Of Packages 1 of 3
	Description: Electrical Parts	Weight: 1,200 lbs Dims: 36"X24"X42"

3. SPECIAL, HAZARDOUS AND PRECAUTIONARY MARKS

Mark easily damaged material "FRAGILE", "HANDLE WITH CARE", "COOL STORAGE", "FREEZER STOWAGE", "USE NO HOOKS", etc.

Mark outside of package if special care is required during unpacking (i.e. sterile or dust free environment, etc.)

Boxes and/or crates must be marked with sling marks showing where they are to be lifted when wire slings are used.

The Center of Gravity must be marked on any box which is top heavy or has a balance point at any point other than the center of the skid. Mark these boxes with handling information such as "TOP HEAVY", "HEAVY SIDE", "DO NOT LIFT HERE, LIFT ON HEAVY SIDE", "CENTER OF BALANCE", etc.

4. HARD TO MARK CARGO

If labels are used, they must be attached securely with waterproof adhesive. If tags are used, they must be minimum three inches by five inches, durable and securely affixed to the piece of cargo.

NOTE: IF PURCHASE ORDER REQUIRES EXPORT PACKING BY THE VENDOR, CONTACT AACO TRAFFIC FOR ADDITIONAL MARKING INSTRUCTIONS.

INVOICE & SHIPPING INSTRUCTIONS:

1. If the shipment exceeds 10,000 lbs. or 800 cubic feet or requires special handling such as: hazardous material, freeze/chill cargo, or in-bond material, the Request for Shipping Instructions, (RSI), form AACO-823 must be completed and submitted via FAX to Aramco Americas Company (AACO) Traffic 713-432-5190.
2. **Do not pack more than one purchase order per box.**
3. **SHIP ORDER COMPLETE** - Partial shipments are not acceptable, unless specifically authorized by the expeditor.
4. **Do not drop ship unless specifically authorized by the Expediter.** If a drop shipment is authorized, immediately FAX a copy of the invoice to AACO Traffic 713-432-5190 prior to material arrival. This is in addition to invoice requirements indicated in points 6 and 10 below.

PACKING/MARKINGS

5. Package(s) must conform to packing specifications (AACO-8314/8444 series, if applicable) and marking instructions (AACO-1059-3).

DOCUMENTATION

6. Two copies of the **Invoice** shall accompany shipment:
Attach (1) invoice to the outside of package number one in a weather-resistant envelope, and
Place (1) invoice inside package number one.

In addition, a **Packing List** detailing the contents of each package is required.
Attach (1) copy to the outside of the package in a weather-resistant envelope, and
Place (1) copy inside the package.
7. **For Hazardous Material** Vendor must comply with all pertinent Department of Transportation (DOT) regulations.
8. If a Material Safety Data Sheet (MSDS) is required for this shipment, a copy must be enclosed with the packing list and invoice referenced in paragraph 6 above.
9. All shipments originating outside the United States or manufactured items under U. S. Customs In-Bond procedures require special shipping instructions. Contact AACO Traffic, 713-432-5177.

PAYMENT INVOICE

10. **Send one (1) payment invoice prepared as stated below to:**

P. O. Box 4313, Houston, TX 77210-4313

Invoice Must Show:

- a) AACO's purchase order and line item numbers,
- b) Material description, quantity, and unit price for each line item,
- c) Complete name and address of the manufacturer for each line item, and
- d) Only those line items contained in the shipment.

TAXES AND PROOF EXPORT

11. State and city sales and use taxes are not applicable to purchase or transportation covered by the export Purchase Order.
12. Manufacturer's federal excise taxes are not applicable to articles sold by the manufacturer for export. The materials covered by the export Purchase Order are purchased for export in due course and are exempt from tax.
13. Proof of exportation will be provided if Vendor so requests, in writing, at the time Vendor submits his invoice.

SHIPPING TERMS: If Purchase Order commercial terms read:

14. FOB VENDOR'S WAREHOUSE

Ship only by the AACO designated carrier, listed below using third party billing.

Declare value for shipment as maximum free. Any excess insurance is for Vendor's account.

Bill of Lading or Air Waybill **must** show **AACO Purchase Order Number** (reference box).

A consolidated Air Waybill/Bill of Lading, AACO 1816 **must** be prepared when shipping more than one shipment to the same address on the same day.

15. FOB AACO CARGO TERMINAL

All transportation charges are for Vendor's account. Carrier is determined by the Vendor.

SHIP BY:

HOUSTON TEXAS AREA

10,000 lbs. or less

[Best Delivery](#) (713) 741-8530

<http://www.best-transportation.com>

SAC Services (281) 820-8995

10,001 lbs. or greater

For instructions submit Request for Shipping Instructions (RSI), form AACO-823 via fax to: AACO Traffic (713) 432-5190.

CONTINENTAL UNITED STATES

1-150 lbs.

Request **SECOND DAY SERVICE** for all shipments:

[Emery World Wide](#) (888) 985-8801
Account Number 000832998

<http://www.emeryworld.com/>

NEXT DAY SERVICE (AM)

[Burlington Air Express](#) (800) 225-5229
Account Number 013449170

NOTE: Unauthorized use of Next Day AM Service will result in a charge back to the Vendor for the difference in rates.

151-10,000 lbs.

[AAA Cooper Transportation](#)

<http://www.aaacooper.com>

[ABF Freight Systems](#)

<http://www.abfs.com/>

[Central Freight Lines \(In Texas\)](#)

<http://www.centalfreight.com/>

[Roadway Express](#)

<http://www.roadway.com/>

10,001 lbs. or greater

For instructions submit RSI, form AACO-823 via fax to: AACO Traffic (713) 432-5190

OUTSIDE CONTINENTAL U.S.

Contact AACO Traffic (713) 432-4337

SHIP TO:

**Aramco Americas
Company**

Phone: (713) 432-5200

Fax: (713) 432-5190

Deliveries will be accepted

**7:00 a.m. – 11:00 a.m.
12:00 p.m. – 3:00 p.m.
Monday - Thursday**

OR:

**OTHER POINTS AS
DIRECTED.**

REQUEST FOR SHIPPING INSTRUCTIONS AACO-823 (01/02)

VENDOR CONTACT			DATE		PURCHASE ORDER				PAGE ____ OF ____	
COMPLETE VENDOR NAME			FAX		AACO USE					
ADDRESS			PHONE							
CITY, STATE, ZIP										
MATERIAL LOCATION			VENDOR REF NO.							
ORDER IS: <input type="checkbox"/> PARTIAL <input type="checkbox"/> COMPLETE <input type="checkbox"/> FINAL			<input type="checkbox"/> CHILL <input type="checkbox"/> FREEZE							
AACO ITEM NO.	SHIPMENT QUANTITY	MATERIAL DESCRIPTION	TYPE PKG.	PKG. NOS.	NO. OF PKGS.	WEIGHT PER PKG.		DIMENSIONS PER PKG.	CUBIC MEAS. PER PKG. (L X H X W=1728)	
						GROSS	NET			
VALUE OF SHIPMENT					TOTALS				TOTAL	
COUNTRY OF ORIGIN			D.O.T. HAZARDOUS CERTIFICATION: "THIS IS TO CERTIFY THAT THE ABOVE NAMED MATERIAL AND ARTICLES ARE PROPERLY CLASSIFIED, DESCRIBED, PACKAGED, MARKED, AND LABELED AND ARE IN PROPER CONDITION FOR TRANSPORTATION, ACCORDING TO THE APPLICABLE REGULATIONS OF THE U.S. DEPARTMENT OF TRANSPORTATION AT THE TIME OF THIS SHIPMENT."							
IMO HAZARDOUS CARGO INFORMATION										
PROPER SHIPPING NAME										
			ITEM NO.		FLASH POINT		AUTHORIZED VENDOR REPRESENTATIVE SIGNATURE			
			D.O.T. HAZARDOUS CLASS					NAME		
UN NO.			PROPER SHIPPING NAME					TITLE		
PAGE NO.			PRODUCT PACKAGE SIZE					COMPANY		

REQUEST FOR SHIPPING INSTRUCTIONS AACO-823 (01/02) REVERSE

1. Prepare the **Request For Shipping Instructions (RSI)** when directed by Buyer or under the following circumstances:

- If shipment is oversize (exceeding 10,000 lbs. Or 800 cubic feet).

- When shipment requires special handling, such as hazardous material, freeze/chill cargo, or in-bound.
2. Use a full material description (not an AACO stock number).
3. Indicate whether the order is partial, complete, or final.
4. Indicate whether cargo is **CHILL** cargo requiring temperature control between 32°F and 52°F or **FREEZE** cargo requiring temperature control below 32°F.
5. List each line item individually.
6. When shipping component parts of a single line item be sure to note it clearly in the material description column.

AACO ITEM NO.	SHIPMENT QUANTITY	MATERIAL DESCRIPTION	TYPE PKG.	PKG. NOS.	NO. OF PKGS.	WEIGHT PER PKG.		DIMENSIONS PER PKG.	CUBIC MEAS. ER PKG. (L X H X W=1728)					
						GROSS	NET							
1	1	Thermostate Assy. PN24-58123	Box	13.5	4	12 Lb.	10 Lb.	12 x 12 x 12	1.					
1	1	Thermostate Assy. PN24-58123	Box	2	1	3 Lb.	2 Lb.	24 x 24 x 13	4.33					
2	6	Repair Parts for Circuit Breaker	Box	6 - 9	4	20 Lb.	15 Lb.	20 x 16 x 12	2.22					
41	32	Nuts-shortship R820-51	Pallet	10	1	25 Lb.	20 Lb.	48 x 48 x 24	32.					
3	2	Contractor Assy.	Skid	11	1	70 Lb.	65 Lb.	45 x 45 x 26	30.47					
*6	1	Circuit Breaker	-	-	-	-	-							
	* When shipping more than one item on a pallet/skid, list the complete information for the first item. On subsequent items you need only list Item No., Quantity, and Description.													
VALUE OF SHIPMENT			TOTALS		11	236 Lb.	187 Lb.	TOTAL	70.02					
\$15,675.50														
COUNTRY OF ORIGIN														
U.S.A.														

7. **On all shipment of hazardous material**, the certification on the reverse of this form must be signed by an authorized representative of Vendor in accordance with applicable Department of Transportation (DOT) regulations. Additionally, the hazardous material must be identified by the FLASH POINT, HAZARD CLASS, and the technical or proper shipping name according to 49 CFR 172.101 (Hazardous Materials Table).

Note: If a Material Safety Data Sheet (MSDS) is required for any material specified in the purchase order, a legible copy within page margins must be included with the RSI.
8. **Submit RSI via FAX to Aramco Americas Company, (713) 432-5190.**
9. **Ship material complete.** Partial and early shipments are not acceptable unless authorized byAACO. Articles with AACO Stock Numbers that consist of more than one component must be either furnished assembled or supplied in individual article packages. Shipment of incomplete multi-component articles is not permitted. All components of multi-component articles, either assembled or in individual article packages, must be shipped at the same time.