

General Terms & Conditions for Purchase of Valve Castings, Forgings, Trims, & Seal Kits (API 6D, API 594, API 600, API 602, API 598)

Incoterms: CIF Dubai Basis

1. Introduction

1.1 These General Terms and Conditions ("Agreement") govern the purchase of valve kits as per the specifications outlined in **API 6D, API 594, API 600, API 602, and API 598** standards ("Products").

1.2 The Products must comply with the applicable API standards and meet all relevant performance, material, and quality requirements.

1.3 According to the present terms and conditions, TISCO Company takes the denomination of (Buyer). The recipient of the order takes the denomination of (Seller). TISCO Customer for whom all or part of the order is intended takes the denomination of (Customer). The present (GENERAL PURCHASING CONDITIONS) are an integral part of the order. They define the rights and obligations of the contracting parties. They are considered to be fully accepted by the Seller who makes a point of doing his private business from all his prospective subcontractors so that the Buyer shall, under no circumstances, be worried or sued, for whatever cause or reason. They may be modified and/or completed solely according to the terms of the order letter or subsequent additional clause (endorsement). They cancel and replace all contrary or additional clauses the Seller is liable to refer to, and more particularly to the provisions of his general terms and conditions of sale, in any way and at any stage.

1.4 GENERAL TERMS AND CONDITIONS - The present purchase order constitutes a purchase contract and its acceptance induces the supplier to the obligation to abide by the general and particular terms and conditions of this order. Any contrary provisions enclosed in the returned acknowledgement of receipt may alter the conditions specified in this purchase order only after express acceptance by the Buyer, condition without which we would not have dealt with this order.

1.5 ACKNOWLEDGEMENT OF RECEIPT - For non-return of acknowledgement of receipt within eight days, the supplier is considered to be fully accepting the order and all its clauses of execution. If, after this period, the Seller has not expressed his agreement or disagreement concerning the terms of the order and its additional clauses, it is clearly agreed that the Buyer has the power to cancel purely and simply the order without the Seller's right to claim to any compensation. Should the Seller's agreement be accompanied with reservations, these would cancel the order except for the Buyer's express acceptance of the modifications made by the Seller. It is also agreed that the Seller's acceptance is considered as definite, without reservation, through one of the following conditions: a) the return of the duplicate of order and additional clauses to the Buyer, signed by the Seller, even if not preceded by the mention "READ AND APPROVED" b) any order start of execution by the Seller.

1.6 MANUFACTURING INSPECTION IN PRODUCTION PLANT - The Buyer and/or his Customer as well as any external body appointed by each of the aforementioned, reserve the right to follow the execution of the ordered goods - supplying, manufacturing, marking and packing - in the Seller's offices, workshops and/or warehouses, as well as in his potential subcontractors' premises. The access to these premises must be authorized and made easier to the aforementioned representatives. For that purpose, the Seller commits himself to take the necessary steps. The aforementioned manufacturing inspections do not release the Seller from his own verifications and liability in relation to guaranties on the grounds of his contractual liability. The allotted time normally necessary to the progress of the inspections and testing in the factory cannot be taken by the Seller as a justification for the delay in the goods delivery. Any final inspection and test do not imply, under any circumstances, that the delivery has been made. All the expenses involved in the inspections and testing carried out to check that the goods comply with the general and particular technical specification and performed in the Seller's and his subcontractors' plants are fully paid for by the Seller with the exception of the Buyer and Customer's representatives personal expenses.

2. Price and Payment Terms

2.0 Prices: Except for stipulated special agreements, the quoted prices are considered as firm and non-reviewable. Taxes (if applicable) , carriage, packing, are to be invoiced in accordance with the particular terms and conditions stipulated in our order.

2.1 Price: The price of the Products shall be quoted on a **CIF Dubai** basis, meaning that the price includes all costs associated with delivery of the Products to Dubai port, including freight, insurance, and customs clearance.

2.2 Payment: Payment shall be made in **USD or as per the agreed currency** within **90 days from the invoice date** unless otherwise agreed upon. Payment should be made via **Letter of Credit (LC)** or as agreed between the Buyer and Supplier.

2.3 Currency: All prices are quoted in **USD** unless otherwise agreed.

2.4 Invoices & Payment: The invoices are taken into consideration at the date of property transfer as above-mentioned. The invoices shall state the purchase order reference number as well as the delivery note number, components details provided and quantities, company VAT number (if any) and shall be sent to the issuer of the order (original + copy) .Any date of payment relating to an invoice, received after the 12th of the month following the date of delivery, or any goods delivered after the 25th of the current month, will systematically be taken into account the following month, so postponing the date of payment accordingly until the next month. In the event of a delivery before due date on the supplier's initiative, these conditions apply according to the contractual delivery date stipulated with the order. The non-respect of the above conditions may delay the invoices payment and under no circumstances shall the Buyer be held responsible for this.

3. Delivery and Shipment

3.0 Delivery: Unless otherwise specifically stated in our orders, whatever method of transport used and terms of payment, the property transfer occurs after the goods unloading at the place of delivery stipulated in the order. Accordingly, the goods are transported at the Seller's own risk. All the goods are deliverable (DELIVERY DUTY PAID) (Incoterms 2000) in our premises, packing included. Each delivery must be accompanied by a delivery note mentioning the order reference and the quantities and specificities of the delivered goods.

3.1 Incoterms: The delivery of the Products will be based on **CIF Dubai** (Cost, Insurance, and Freight to Dubai port). The Supplier is responsible for delivering the Products to the agreed Dubai port of entry, including handling of customs clearance, freight, and insurance.

3.2 Shipment with Direct Liner Vessel: The Supplier agrees to ship the Products via a **direct liner vessel**. The Supplier must ensure that the Products are shipped directly to Dubai port without transshipment, unless otherwise agreed with the Buyer. The Supplier is responsible for booking the shipment and providing the Buyer with the shipping details (e.g., vessel name, estimated time of arrival, bill of lading).

3.3 Delivery Date: The estimated delivery date will be agreed upon in the purchase order. The Supplier must notify the Buyer promptly if any delays are anticipated.

3.4 Late Delivery: In the event of late delivery, the Buyer reserves the right to impose penalties as specified in the **Delay Penalty Clause** below.

4. Delay Penalty Clause

4.1 **Penalty for Late Delivery:**

If the Supplier fails to deliver the Products by the agreed delivery date, a penalty will be imposed. The penalty shall be calculated as follows:

Penalty Rate: 0.5% of the total order value per week of delay, starting from the first day after the agreed delivery date.

Maximum Penalty: The maximum penalty for delay will be 5% of the total order value.

4.2 Mitigation: The Supplier may provide evidence that the delay was caused by a force majeure event (as defined in Clause 9). If the delay is caused by a force majeure event, the penalty may be waived or reduced at the discretion of the Buyer.

5. Specifications and Compliance

5.1 The Products supplied under this Agreement must conform to the latest editions of the following API standards:

API 6D

API 594

API 600

API 602

API 598

5.2 The Supplier must ensure that all Products meet the relevant technical specifications, material standards, and quality criteria as set forth in the applicable API standards and as agreed in the purchase order.

6. Inspection and Testing

6.1 **Inspection:** The Products must be subject to the following inspections:

Pre-shipment inspection: Conducted by a third-party inspection agency or as per the agreement between the Buyer and Supplier.

Final inspection upon arrival: At the destination port (Dubai).

6.2 **Testing:** The Supplier must provide test certificates for each batch of valves, confirming that the Products meet the applicable API standards. Tests must include but are not limited to:

Pressure testing (hydrostatic)

Seat leakage testing

Dimensional checks

Non-destructive testing (NDT)

6.3 The Buyer reserves the right to reject any Products that fail to meet the specifications or quality requirements after inspection.

7. Documentation and Certification

7.1 The Supplier must provide the following documents with each shipment:

Certificate of Conformance (CoC), confirming compliance with the applicable API standards.

Material Test Certificates (MTC) for all materials used.

Inspection and Test Reports (ITR), including results for all required tests.

Packing List with a clear description of each item shipped.

Bill of Lading, if applicable.

Insurance Certificate covering the shipment.

8. Warranty

8.1 The Supplier warrants that the Products are free from defects in material, design, and workmanship for a period of **18 months** from the date of shipment or **12 months from the date of installation**, whichever comes first.

8.2 If any defects are found during the warranty period, the Supplier agrees to replace or repair the defective Products at no additional cost to the Buyer, including shipping and handling.

8.3 The warranty does not cover damage caused by improper use, neglect, or accidents after delivery.

8.4 **Material Warranty:** All the expenses arising from the goods defect: - replacement or repair of a part on defect discovered before or after dispatch to the Customer, return transport of the goods between the Buyer, his Customer, and the Seller. - personnel's and Seller's travel to the places of use or storage of the goods. - additional work and testing involved by a potential repair. are chargeable to the supplier and are deducted from the payables or future invoices. Should a defect involve the reject of a part, this shall be replaced wholly by the Seller responsible for the defect and solely at his own expenses, even though the Seller only intervenes partially in the manufacturing of the part.

9. Risk and Title

9.1 **Risk:** Risk in the Products passes to the Buyer once the Products are delivered to the designated port in Dubai and unloaded.

9.2 **Title:** Ownership of the Products remains with the Supplier until full payment has been received. Upon payment, the title to the Products will transfer to the Buyer.

10. Force Majeure

10.1 Neither party shall be liable for failure or delay in performance of its obligations under this Agreement due to events beyond its reasonable control, including, but not limited to, acts of God, natural disasters, war, terrorism, labor disputes, government actions, or supplier delays.

10.2 The affected party must promptly notify the other party in writing of any such force majeure event and provide an estimated time of resolution.

11. Termination

11.1 Termination for Cause: Either party may terminate this Agreement if the other party breaches any material terms and fails to cure such breach within **30 days** of receiving written notice.

11.2 Termination for Convenience: The Buyer may terminate the Agreement at any time, with or without cause, by providing written notice to the Supplier, in which case the Buyer will only be responsible for payment for Products delivered prior to the termination date.

12. Indemnity and Liability

12.1 The Supplier agrees to indemnify and hold the Buyer harmless from and against any claims, damages, losses, or liabilities arising out of the Supplier's negligence, breach of contract, or failure to comply with the applicable laws and standards.

12.2 The Buyer's liability is limited to the total value of the purchase order.

13. Confidentiality

13.1 Both parties agree to maintain the confidentiality of all proprietary or confidential information shared during the course of this Agreement and shall not disclose it to third parties without prior written consent, except as required by law.

13.2 The supplier contracts to keep confidential all the technical and commercial data to which he has access for the execution of our order (Drawings, procedures and technical data's, purchase order, price agreements).

14. Governing Law and Dispute Resolution

14.1 This Agreement shall be governed by and construed in accordance with the laws of the **UAE**.

14.2 Any dispute arising from this Agreement shall be resolved through **arbitration** in **Dubai**, under the rules of the **Dubai International Arbitration Centre (DIAC)**.

15. Miscellaneous

15.1 **Assignment:** Neither party may assign or transfer its rights and obligations under this Agreement without the prior written consent of the other party.

15.2 **Entire Agreement:** This Agreement constitutes the entire understanding between the Buyer and Supplier and supersedes all prior negotiations or agreements, whether oral or written