



Middle East Propulsion Company, Ltd (MEPC)

Custodian Contracts & Legal Affairs	Document Title Terms and Conditions for Externally Provided Products, Services, and Processes	Control #:	CONTPL-002		
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1.0 Definitions: The following definitions and rules of interpretation apply:

- 1.1 **Agreement: shall mean these Conditions and the relevant Order**
- 1.2 **Bill To Address:** shall mean the “bill to” address set out in the Agreement;
- 1.3 **Business Day:** means any day on which banks are open for normal commercial business in the Kingdom of Saudi Arabia;
- 1.4 **Delivery Locations:** shall mean the “deliver to” location(s) set out in the Agreement;
- 1.5 **Delivery Time:** shall mean the delivery times set out in the Agreement or if no time is stipulated, such times as agreed between the Parties in writing;
- 1.6 **Developed Material:** means any and all designs, drawings and other documents provided and/or to be provided by the External Provider as part of the Deliverables;
- 1.7 **Deliverables:** means the Goods and Services together;
- 1.8 **External Provider:** Means the person(s) or entity (as applicable) to which the Order is addressed;
- 1.9 **Goods:** means the goods set out in the Agreement;
- 1.10 **IPR:** means any and all registered and/or unregistered intellectual property rights anywhere in the world including (without limitation) any and all patents, design rights, copyrights and rights to confidence together with the right to apply for the same and the benefit of any applications for the same;
- 1.11 **MEPC:** Middle East Propulsion Company Limited;
- 1.12 **OEM:** Original Equipment Manufacturer;
- 1.13 **Order:** means MEPC’s ordering documents (electronic or otherwise) incorporating these Conditions and bearing a valid purchase order number issued by MEPC;
- 1.14 **Party and Parties:** means MEPC and the External Provider together;
- 1.15 **Price:** means the unit price and/or amount (as applicable) set out in the Agreement;
- 1.16 **Services:** means the services set out in the Agreement;
- 1.17 **Specification:** means any and all specifications with which the Deliverables are to comply as set out in the Agreement;
- 1.18 **TAT:** means turnaround time;
- 1.19 **Warranty Period:** means the warranty period set out in the Agreement or if no period is set out in the Agreement, the longer of: 12 (twelve) months and such warranty period as the External Provider ordinarily provides for the Deliverables, in either case from the date: in respect of Services, completion of the Services; and in respect of Goods, first use of the same by MEPC.
- 1.20 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.21 Words in the singular include the plural and in the plural include the singular.
- 1.22 A reference to one gender includes a reference to the other gender.
- 1.23 Condition headings do not affect the interpretation of these Conditions.
- 1.24 The use of the word shall mean including without limitation.



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2.0 Basis of Agreement

- 2.1 The External Provider shall supply to MEPC, the Deliverables on and subject to the terms of the Agreement.
- 2.2 These Conditions shall apply to and be incorporated into the Agreement. The Agreement constitutes the entire agreement between the Parties relating to the Deliverables and cancels and supersedes any and all previous agreements, arrangements and understandings (whether oral or written, express or implied) between the Parties relating to the Deliverables.
- 2.3 Orders for Deliverables placed by MEPC shall constitute an Agreement for the supply of the same once accepted and/or shipped by the External Provider. Orders shall be deemed accepted on the earlier of:
 - 2.3.1 The External Provider's unconditional acceptance and/or shipment of the Order; and
 - 2.3.2 Delivery of the Deliverables.
- 2.4 MEPC shall be entitled to withdraw any Order at any time prior to acceptance and in any event, where acceptance has not been forthcoming within a reasonable period of time.
- 2.5 MEPC reserves the right to make changes in the drawings, specifications and other provisions relating to any Deliverables and/or Order. If any such change causes an increase or decrease in the cost of, or the time required for, the provision of Goods or Services, an equitable adjustment shall be made in the Price or delivery schedule, or both, and any Order shall be modified in writing accordingly. No claim under this Condition shall be asserted by External Provider after thirty (30) days following the notification of change by MEPC.
- 2.6 External Provider shall provide MEPC advance notice in writing of any changes relating to:
 - 2.6.1 specifications, designs or part numbers (or other types of identification),
 - 2.6.2 any major changes in processes or procedures
 - 2.6.3 Approved location/ address of the facilities used by External Provider for providing Goods or Services as indicated in P.O or agreement.
 - 2.6.4 Sources of product, material or External Provider's (sub-tier) that might impact MEPC's product safety.
- 2.7 **Labelling, Packing And Shipment**
 - 2.7.1 All Goods are to be suitably prepared for shipment and must be labelled, packed and shipped in accordance with MEPC's specifications. External Provider shall not charge MEPC for labelling, packing, boxing or crating except as stated otherwise in any Order. All shipments must include External Provider's packing list referencing MEPC's purchase order. As applicable, External Provider must also include with all shipments a certificate of conformity (COC) or manufacturer's certification, certificate of calibration, Material Safety Data Sheet (MSDS), and/or limited life component certification.
 - 2.7.2 Material shipped in advance of releases or shipping dates specified in an Order, or in excess of the quantity ordered, shall be at External Provider 's risk and may be returned to External Provider, and all transportation charges both to and from the original destination shall be paid by External Provider. If Goods are not shipped in accordance with MEPC's directions and/or the instructions set out in an Order, if any, then External Provider shall pay or reimburse MEPC, as the case may be, for any excess cost occasioned thereby.



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2.8 Unless expressly so stated on the face of an Order none of the Goods are, in any way, governmental or commercial surplus or used, remanufactured, reconditioned or of such age or condition so as to impair their fitness, usefulness or safety.

3.0 Quality And Quantity

3.1 Non-Conforming Parts & Materials

3.1.1 External Provider shall immediately notify MEPC of any defective or non-conforming Goods or Services, and advise MEPC if there is a reason to suspect a similar issue may exist on previously provided Goods or Services provided to the MEPC. External Provider shall identify and record any non-conformance raised against products or systems and all subsequent corrective and preventive actions that are taken.

3.1.2 External Provider shall establish, implement and maintain documented information on preventing the use of any suspected unapproved part & report such issue to MEPC if part was already delivered. The report shall contain at least the following:

- a) Date suspected unapproved part was discovered by reporter.
- b) Part name or description.
- c) Part number or identification number on part.
- d) Serial number of part.
- e) Quantity of the suspected parts.
- f) Identify the next higher assembly of the suspected parts and list part number if known.
- g) Provide the name and address of the person(s) who supplied or repaired the suspected part, When possible
- h) Mark the type of organization or person who supplied or repaired the part.
- i) Description of SUP complaint. Please provide as much detail as possible as to why reporter feels this is an
- j) Name and address of the company or location where the suspected parts was discovered.

3.1.3 External Provider shall ensure that all products or materials provided to MEPC are:

- a) Traceable to OEM and all required serviceable tags, certificates of conformance or authorised to release documents available.
- b) Complying with military or civil authority standards; or
- c) Approved by OEM, government.

3.2 The External Provider warrants and represents to MEPC that all Goods shall, for the Warranty Period such that the higher quality, standard or condition shall prevail:

3.2.1 Be free from defects in materials, workmanship and performance;

3.2.2 Conform with the Specification;

3.2.3 Be of a satisfactory quality;

3.2.4 Be fit for their intended purpose (whether expressly or by implication) and/or any purpose for which goods of that type may or could be commonly used; and



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- 3.2.5 Comply with the requirements of all laws including all statutes, statutory instruments, regulations, directives, orders and codes of practice, rules, rule books and instructions applicable to the Goods.
- 3.3 The External Provider warrants and represents to MEPC that it shall provide the Services:
- 3.3.1 In a proper, safe and professional manner, exercising such degree of skill, care, diligence and prudence reasonably and ordinarily exercised by competent, skilled and experienced persons engaged in similar activities under similar circumstances and conditions;
- 3.3.2 In conformance with the Specification;
- 3.3.3 In accordance with all methods, statements and practices customarily used in good and prudent business practice for the supply of services such as the Services;
- 3.3.4 Using suitably qualified, experienced, skilled and competent personnel; and
- 3.3.5 In accordance with all applicable national, federal, provincial and local laws including all statutes, statutory instruments, regulations, directives, orders and codes of practice, rules, rule books and instructions and all amendments thereto applicable to the External Provider and/or the Services.
- 3.4 The External Provider agrees and acknowledges that MEPC has made the External Provider aware of the purpose for which the Deliverables are purchased and the manner in which they are intended to be used.
- 3.5 MEPC's approval of designs furnished by the External Provider shall not relieve the External Provider of its obligations under the Agreement.
- 3.6 Without prejudice to any right of MEPC under the Agreement, the External Provider shall use its best endeavours to transfer or assign to MEPC or otherwise obtain for the benefit of MEPC any guarantee, warranty or other confirmation of quality, title or fitness for purpose given by any manufacturer and/or External Provider (as applicable) of the Deliverables in respect of the Deliverables (or part thereof) to the extent that the same is capable of such transfer or assignment to MEPC or otherwise providing such benefit for MEPC.
- 3.7 Whether or not MEPC has accepted the Deliverables, if the Deliverables (or any part thereof) are not supplied in full compliance with the Agreement, in addition to any and all other rights and remedies available to MEPC, MEPC shall be entitled to:
- 3.7.1 Reject the Deliverables delivered/supplied and treat the Agreement as repudiated by the External Provider and terminate the Agreement as a whole;
- 3.7.2 Reject the Deliverables delivered/supplied, require the External Provider to deliver replacement Deliverables conforming with the Agreement by such time as MEPC determines and/or treat the Agreement as repudiated by the External Provider in respect of any remaining undelivered Deliverables; or
- 3.7.3 Accept the Deliverables which have been delivered, require the External Provider to repair or rectify or pay the cost of repairing or rectifying the Deliverables and/or treat the Agreement as repudiated by the External Provider in respect of any remaining undelivered Deliverables.
- 3.8 In the event MEPC has paid for Deliverables which it rejects and/or in respect of which it elects to treat the Agreement as repudiated, the External Provider shall reimburse MEPC for the same. Where the Deliverables rejected/subject to repudiation are not capable of pricing in isolation under the Agreement, the amount to be reimbursed shall be calculated proportionately against the total price of the Agreement.



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- 3.9 MEPC's right to reject any Deliverables shall not be affected by the resale of any Deliverables.
- 3.10 The quantities of Goods shall be strictly as set out in the Agreement and MEPC shall not be obliged to accept quantities of the Goods varying from those specified in the Agreement.
- 3.11 **Right to access External Provider's documented information**
- 3.11.1 External Provider shall grant MEPC and/or MEPC's customer representative(s) the right to review, audit and inspect External Provider's testing, inspection, quality control and reliability procedures, as well as any documented information. External Provider shall comply with MEPC's most recently adopted quality control specifications, inspection standards and quality assurance manuals as may be applicable and supplied by MEPC to External Provider from time to time, or referenced by MEPC and available from third parties. External Provider shall, if requested by MEPC, furnish a certificate indicating such compliance.
- 3.11.2 External Provider shall grant MEPC and/or MEPC's customer representative(s) access to any facilities or records related to External Provider's quality systems that may be required during visits to External Provider, including access to those External Provider's utilized by External Provider in providing Goods or Services to MEPC.
- 3.12 External Provider shall not use any parts that are Parts Manufacturer Approval (PMA) as granted by the United States Federal Aviation Administration (FAA).

4.0 Delivery

- 4.1 The External Provider shall deliver the Deliverables to MEPC, at the Delivery Location(s) at the Delivery Time(s). MEPC may upon not less than 30 (thirty) days' notice, alter the Delivery Location(s).
- 4.2 External Provider shall package and label the Goods and their containers, in particular those which constitute a health, poison, fire, explosion or other safety hazard and/or risk, in accordance with all applicable national, federal, provincial, state and local packaging and labelling laws, ordinances, rules and regulations, and all amendments thereto, in effect in the place to which Goods are shipped or as otherwise specified by MEPC.
- 4.3 The External Provider must check with MEPC before attempting to deliver Deliverables to ensure delivery can be accepted at the appropriate Delivery Location. Time of delivery shall be of the essence.
- 4.4 If the External Provider fails to deliver the Deliverables or any part thereof, to the Delivery Location(s) by the Delivery Time(s), MEPC shall be entitled at its option, to:
- 4.4.1 Reject the Deliverables delivered/supplied and treat the Agreement as repudiated by the External Provider and terminate the Agreement as a whole;
- 4.4.2 Accept the Deliverables which have been delivered, and treat the Agreement as repudiated by the External Provider in respect of any remaining undelivered Deliverables; or
- 4.4.3 Accept the Deliverables which have been delivered and specify and alternative delivery Time for the undelivered Deliverables.
- 4.5 The External Provider shall dispatch with all Goods, a separate delivery note (together with quality control or compliance certificates if appropriate and such other information as set out in the Order) which clearly states the purchase order number and any other information requested by MEPC. Services carried out must be receipted by MEPC.



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- 4.6 In addition and without prejudice to Condition 4.5, upon shipment of any Goods to MEPC by External Provider from a location outside the Kingdom of Saudi Arabia the External Provider shall immediately provide MEPC under separate cover an original certificate of origin, shipping invoice and packing list, and with all documents certified by (or attested to) External Provider's Chamber of Commerce. In addition, External Provider shall assist MEPC with other documents and/or information relating to the costs and places of origin of Goods or Services and the materials contained therein or used in the performance thereof, and as may be required by MEPC to comply fully with all customs, tariffs, duties or other applicable governmental regulations. External Provider shall indemnify MEPC and MEPC's customers against all losses, costs or damages (including any fines or penalties) resulting directly or indirectly from External Provider's delay in furnishing such certificates or other information to MEPC and from any errors or omissions contained therein and from any non-compliance by External Provider with the aforesaid regulations. Furthermore, External Provider agrees to not invoice MEPC (or agrees to withdraw previously submitted invoices) when any documentation or assistance has not yet been provided MEPC, or has been withheld from MEPC.
- 4.7 Goods are to be DDP (as defined in the International Chamber of Commerce Incoterms). The External Provider shall procure from MEPC a record of receipt of the Deliverables by MEPC. Deliverables shall not be regarded as delivered until acceptance by evidence of signature for receipt of the Deliverables by MEPC.
- 4.8 The Goods shall be properly packed and secured in such a manner as to reach their destination undamaged and in good condition. MEPC shall not be obliged to return any packaging.
- 4.9 If MEPC has reasonable grounds to believe the External Provider may not be able to affect delivery in accordance with the agreement, MEPC shall have the right to demand security for compliance from the External Provider.
- 4.10 Where Deliverables are to be delivered in instalments, the Agreement shall be a single contract to deliver all instalments and MEPC shall be entitled to treat a breach of the Agreement in relation to any one instalment as a breach of the entire Agreement. Acceptance by MEPC of any instalment shall not preclude MEPC from rejecting any later instalment.

5.0 Risk and Title

- 5.1 If any part of the Price is payable before Delivery:
- 5.1.1 the property in all components forming part and/or all of the Goods "Components") shall pass to MEPC as soon as they are allocated to the Agreement and the property in all related materials including (without limitation) all designs, drawings, specifications and other documents ("Materials") shall pass to MEPC as soon as they are prepared. The External Provider shall by written notice inform MEPC as and when such Components are so allocated and notwithstanding any payment. MEPC shall be entitled to withhold any payment otherwise due to the External Provider until the agreed value of the Components is equal to the sum of such payments already made to the External Provider ;
- 5.1.2 The External Provider shall clearly mark all Components and Materials as the property of MEPC, keep them separate from all other components and materials and make them available for inspection when required by MEPC; and
- 5.1.3 The External Provider shall incorporate in its contracts with sub-contractors and External Provider s, provision to ensure that the property in all Components and Materials passes to MEPC as aforesaid and that the requirements of Condition 5.1.2 are complied with.



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- 5.2 Where Condition 5.1 does not apply, property in the Goods (including the Components forming part thereof and the Materials) shall pass to MEPC on delivery to MEPC.
- 5.3 Regardless of the passing of the property, risk in the Goods shall not pass to MEPC until delivery.
- 5.4 The passing of property and risk is without prejudice to any right of rejection, which may be exercisable by MEPC under the Agreement or by law.
- 5.5 MEPC shall be entitled to return any Goods damaged in transit at the cost of the External Provider.
- 5.6 All IPR in and to any Developed Materials are hereby assigned by the External Provider (as a present and future assignment) to and shall be vested in MEPC and the External Provider shall do all things and render all such assistance as may reasonably be required by MEPC in order to vest such rights in MEPC.
- 5.7 Save for any IPR assigned pursuant to Condition 5.6, the External Provider hereby grants to MEPC an irrevocable, transferable, royalty free, non-exclusive licence, with a right to grant sub-licenses, to use, copy, edit, disassemble, re-assemble, repair and maintain the Goods together with and including the Materials, in order for MEPC to obtain the full benefit and make full use of the Deliverables.
- 5.8 Any and all materials provided by MEPC to the External Provider (including IPR therein) are and shall remain the sole and exclusive property of MEPC. MEPC grants no rights in or to such materials save that MEPC hereby grants to the External Provider solely for the purpose and to the extent necessary to provide the Deliverables, a royalty free, revocable, non-transferable right to use the materials (excluding all IPR therein).

6.0 Price and Payment

- 6.1 Subject to these Conditions, MEPC shall pay the Price for the Deliverables.
- 6.2 Unless otherwise agreed between the Parties the Price is inclusive of all applicable customs duties and expenses and all federal, provincial, state and local taxes (including all import taxes, excise taxes, sales and/or use taxes, value added taxes) applicable to the sale of Goods or the provision of Services unless otherwise stated in the Agreement.
- Any reduction in External Provider 's cost resulting from a reduction in transportation charges, customs duties, import taxes, excise taxes and/or sales taxes from those in effect on the date of an Order shall be paid to MEPC by External Provider in reduction of the price of Goods and/or Services.
- 6.3 **Invoices Must:**
- 6.3.1 Be valid tax invoices;
- 6.3.2 Quote any purchase order number specified by MEPC; and
- 6.3.3 Be submitted to the "Bill to" Address.
- 6.4 Unless otherwise set out in the Agreement, the External Provider may invoice for the Deliverables on or after acceptance of the Deliverables by MEPC.
- 6.5 MEPC shall pay for the Deliverables within 90 (ninety) days of the end of the month of receipt at the "Bill to" Address of an invoice complying with Condition 6.3.
- 6.6 MEPC shall not be liable to pay any invoice which:
- 6.6.1 Does not comply with Condition 6.3; nor



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6.6.2 Is submitted more than 6 (six) months after the first date on which the External Provider is entitled to issue an invoice pursuant to Condition 6.5.

- 6.7 All payments shall be made in the currency set out in the Agreement or if no currency is so stated, the currency of the Kingdom of Saudi Arabia.
- 6.8 If any sums are due to MEPC from the External Provider, then MEPC shall be entitled to exercise the right to set-off such sums against any payments due to the External Provider from MEPC under or in relation to the Agreement and/or any other agreement. The External Provider shall not be entitled to apply any amount due to MEPC under the Agreement in or towards payment of any sum owing by MEPC to the External Provider in relation to any matter whatsoever.
- 6.9 External Provider warrants that the prices for Goods and Services are and shall remain not less favourable to MEPC than the prices currently extended to any other customer of External Provider for the same or substantially similar goods or services in the same or substantially similar quantities and delivery requirements. If External Provider reduces the prices of such same or substantially similar goods or services during the term of any Order, External Provider shall reduce the prices of the Goods and Services correspondingly. External Provider warrants that the Prices shown in an Order shall be complete, and no additional charges of any type shall be added without MEPC's express written consent. External Provider expressly assumes the risk of any event or cause (whether or not foreseen) affecting such Prices.

7.0 Termination

- 7.1 Either Party may terminate the Agreement at any time if the other Party:
- 7.1.1 Commits a material breach of any of its material obligations under the Agreement and does not remedy such breach within 30 (thirty) days after written notice has been given to it by the non-defaulting Party;
 - 7.1.2 Commits a material breach which is incapable of remedy, on written notice;
 - 7.1.3 Goes into either compulsory or voluntary liquidation (not being a voluntary liquidation for the purpose of a reconstruction or amalgamation);
 - 7.1.4 Has a receiver or manager appointed over any part of its assets or suffers the appointment or the presentation of a petition for the appointment of an administrator; or
 - 7.1.5 Suffers an event analogous to those set out in Conditions 7.1.2, 7.1.3 or 7.1.4.
- 7.2 MEPC shall have the right to terminate the Agreement upon 10 (ten) Business Days' notice in the event of:
- 7.2.1 A change of control occurring in relation to the External Provider ; and
 - 7.2.2 A failure by the External Provider to provide security for compliance within 10 (ten) Business Days of request, pursuant to Condition 4.9.
- 7.3 In the event that the Agreement or any part thereof is terminated by notice or otherwise, such termination shall be without prejudice to the accrued rights and liabilities of the Parties prior to termination.



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8.0 Liability and Indemnity

- 8.1 In this Condition 8, all references to MEPC or the External Provider shall include their staff, servants, agents and sub-contractors.
- 8.2 Nothing in the Agreement shall limit either Party's liability in respect of any claims:
 - 8.2.1 For death or personal injury caused by the negligence of such party;
 - 8.2.2 Resulting from any fraud including fraudulent misrepresentation made by such Party; or
 - 8.2.3 For which liability may not otherwise lawfully be limited or excluded.
- 8.3 The External Provider shall indemnify MEPC against any and all reasonable loss, damage, and/or liability arising out of and/or in connection with:
 - 8.3.1 Any breach of the Agreement by the External Provider ;
 - 8.3.2 Any negligence on the part of the External Provider in performing the Agreement and/or any part
 - 8.3.3 Any damage, injury and/or loss to MEPC and/or its property resulting from the acts and/or omissions of the External Provider ;
 - 8.3.4 Any claim, action, proceeding and/or demand by and/or from any third party arising out of an/or in connection with any infringement or alleged infringement of any IPR in and/or to the Deliverables and/or damage to property and/or injury to person caused by the Deliverables or consequential thereto; together with the costs in mitigating, settling and/or defending the same as applicable.
- 8.4 Subject to Condition 8.2, in no event shall MEPC be liable to the External Provider under contract, tort (including negligence) or otherwise for any indirect or consequential damages and/or loss even if the loss and/or damage was reasonably foreseeable or MEPC had been advised of the possibility of such loss and/or damages.
- 8.5 Subject to Condition 8.2 and without prejudice to Condition 8.4, in respect of all events of default occurring in any consecutive twelve month period of the term of the Agreement, MEPC's maximum liability under the Agreement in respect of each such period shall not exceed in aggregate 100% (one hundred percent) of the Price paid in that period. This limitation applies regardless of the form of action whether in contract or in tort, including negligence, or otherwise.
- 8.6 The rights and obligations of the Parties under this Condition 8 will survive the termination of the Agreement to the extent the applicable claim arises from an event which occurred during the term of the Agreement.
- 8.7 Nothing in this Condition shall restrict or limit either Parties general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity.
- 8.8 A penalty of 1% of the applicable Order value will be added for every week that Goods are delayed from the agreed TAT as set out in the Order up to a maximum of 10% of the Order value.



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9.0 Insurance

- 9.1 Without prejudice to its liability, where expressly so stated, to indemnify MEPC, the External Provider shall maintain the following insurances up to the amounts set out in the Agreement or where no amount is set out in the Agreement, in at least such amount as is prudent and customary in the relevant industry and circumstances and provide copies of the certificates to MEPC if requested:
- 9.2 Public and product liability coverage;
- 9.3 Employer's liability coverage; and
- 9.4 Such other coverage as is required by law or as required in order to comply with the Agreement.

10.0 Confidentiality

- 10.1 The Agreement and all materials, documents and information issued by MEPC in connection therewith are confidential, and their use and disclosures must be strictly confined to the External Provider and his or its employees properly engaged thereon (except in so far as confidential disclosures to sub-contractors or External Provider s is agreed by MEPC to be necessary) and necessary for the proper performance of the Agreement. In particular the External Provider shall not use the Deliverables for the purpose of any advertisement.

11.0 Force Majeure

- 11.1 Neither Party shall be liable for any breach of its obligations hereunder, except in respect of payment, resulting from causes beyond the reasonable control of the party in default (or its sub-contractors) including but not limited to act of God, war, insurrection, riot, civil commotion, Government regulation, embargo, explosion, strike, labour dispute, illness, flood, fire or tempest (an 'Event of Force Majeure'). Any time limit or estimate for a Party to perform any act hereunder shall be suspended during an Event of Force Majeure.
- 11.2 Each of the Parties hereto agrees to give reasonable notice forthwith to the other upon becoming aware of an Event of Force Majeure such notice to contain details of the circumstances giving rise to the Event of Force Majeure.
- 11.3 If a default due to an Event of Force Majeure shall continue for more than 15 Business Days then the Party not in default shall be entitled to terminate this Agreement. Neither Party shall have any liability to the other in respect of the termination of this Agreement as a result of an Event of Force Majeure but such termination shall not affect any pre-existing rights or obligations of either Party.



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12.0 Warranties Regarding Goods And Services

12.1 External Provider expressly warrants that all Goods and Services, including without limitation any special tools, dies, jigs, fixtures, patterns, machinery and equipment, obtained at MEPC's expense for the performance of any Order and/or which are to be the property of MEPC, shall conform to all drawings, specifications, samples and other descriptions furnished, specified or adopted by MEPC, shall be merchantable, free from any defects in material and workmanship and free of all liens, claims and encumbrances whatsoever for the Warranty Period. For greater certainty, "merchantable, free from any defects in materials and workmanship" as used herein means and includes that the Goods and Services are time compliant (i.e. that Goods and Services will operate accurately and without interruption during all time periods without error relating to date and time data). If External Provider knows, or has reason to know, the particular purpose for which MEPC intends to use the Goods or Services, External Provider warrants that such Goods or Services shall be fit and sufficient for such particular purpose and these warranties shall be in addition to all other warranties available under applicable law. External Provider shall indemnify MEPC from any breach of these warranties and, for greater certainty, no limitations on MEPC's remedies in External Provider's documents, if any, shall operate to reduce this indemnification. External Provider shall also indemnify MEPC from and against all liability or damages (including any reasonable loss of profits, recall costs or other consequential damages) imposed upon MEPC resulting from acts or omissions of External Provider in respect of Goods or Services.

13.0 Customs Drawback Documents

- 13.1 Upon request, External Provider shall furnish promptly all documents and other information required for customs drawback purposes, properly completed in accordance with applicable governmental regulations. Unless otherwise provided in any Order, all customs drawback shall be reserved and retained for, or credited to, MEPC.
- 13.2 The records shall be retained for a period of not less than 5 years from date of delivery of products, or else as specified in the agreement.

14.0 Material, Equipment, Tools And Facilities

14.1 Environment for the Operation of Processes

- 14.1.1 Every External Provider is obliged to comply with the requirements of ISO 9001 and the applicable clauses of the standards EN/AS 9100 aviation quality management system, and also if applicable with national environmental and industrial safety and health regulations as may apply, and shall collaborate with MEPC on joint efforts to improve environmental protection & safety of product.
- 14.1.2 Safety regulations shall be applied in accordance with local civil aviation authority or military standards, when applicable & External Provider shall report to MEPC any safety related issues that impact product, services or processes provided to MEPC.
- 14.1.3 Work stations and workflows shall be designed in such a manner that any detrimental effect on the products is positively prevented.



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14.2 Unless otherwise agreed in writing, External Provider shall supply at its own expense all materials, equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples and facilities (hereinafter referred to as Equipment) required to perform an Order. All Equipment, including any replacements thereof and any materials affixed or attached thereto, furnished to External Provider or specifically paid for by MEPC shall remain the property of, with the right of possession in, MEPC, and External Provider shall use such material only in the performance of work for MEPC and not for any other purpose. All such material while in External Provider's custody or control and while in the custody or control of External Provider's External Provider's, contractors or agents shall be held at External Provider's risk, shall be kept insured by External Provider at External Provider's expense against any and all loss or damage in an amount equal to the depreciated cost of replacement and shall be subject to removal at MEPC's written request, in which event External Provider shall at External Provider's expense prepare the Equipment for shipment and shall deliver them to MEPC in the same condition as originally received by External Provider, with the exception of reasonable wear and tear. External Provider shall promptly notify MEPC of the location of any Equipment if located at any place other than External Provider's usual place of business. Except as otherwise provided in any Order, External Provider shall maintain accounting and property control records for any material in accordance with Good Industry Practice (as defined as the standard of skill, care, knowledge and foresight which would reasonably and ordinarily be expected from an experienced person engaged in providing services which are the same as, or similar to, the Services, and includes any industry standards and codes of practice or as otherwise applicable to the External Provider's business). External Provider shall, at External Provider's expense, maintain all such material in good condition and repair, including replacement if necessary. MEPC does not provide any warranties with respect to any material and/or Equipment which MEPC, directly or indirectly, furnishes. All materials, supplies and services to be produced or provided in conjunction with any Order must be in strict accordance with the Specifications set forth in an Order or as otherwise specified by MEPC to External Provider. Upon completion or termination of an Order, all such material and/or Equipment shall be retained by External Provider at its expense, until disposition directions are received from MEPC. If External Provider defaults under any Order External Provider shall immediately on demand deliver all such material and/or Equipment to MEPC and, if MEPC so requests, grant MEPC reasonable access to External Provider's premises for the purpose of removing any material and/or Equipment.

15.0 Intellectual Property Rights

- 15.1 No Party shall acquire title to any IPR of the other Party pursuant to this Agreement. No licence to utilise such IPR is granted under this Agreement to either Party.
- 15.2 Other than as set out in this Condition 15, neither Party shall use the IPR of the other Party or do anything that infringes or prejudices the IPR of the other Party.
- 15.3 Subject to Condition 15.6, each Party (in this Condition referred to as the "IP External Provider") shall indemnify and hold the other Party (in this Condition referred to as the "IP Recipient") harmless against all and any loss, damage, injury, cost and expense (including without limitation legal and other professional fees and expenses) relating to the breach by the IP External Provider of any provision of this Condition 15.
- 15.4 Subject to Condition 15.6, the IP External Provider shall indemnify the IP Recipient in each case against any claim, action or proceeding relating to the use or infringement or alleged use or infringement (whether by manufacture, use, sale or otherwise) of any IPR arising in or out of the proper performance of this Agreement and the IP External Provider in each case undertakes to be responsible for the settlement, at its own expense, of any such claim, action or proceeding.



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- 15.5 Subject to Condition 15.6, without prejudice to the foregoing, the IP External Provider shall, in the event of any claim or action being made in respect of any IPR provided by the IP External Provider, at its sole expense and cost, use its reasonable efforts to procure the right for the IP Recipient to continue to use the IPR in the manner set out in this Agreement.
- 15.6 The indemnities given and obligations of the Parties pursuant to this Condition 15 shall in every case be subject to the following conditions:
- 15.6.1 The IP Recipient shall promptly notify the IP External Provider of any claim or circumstances, which might lead to a claim that would be subject to the operation of this Condition
- 15.6.2 The IP Recipient must not settle or compromise any such claim and must not do anything which would prejudice the defence of such claim.
- 15.6.3 The IP External Provider shall have the option at any time to conduct negotiations with the Party alleging infringement and may intervene in any proceedings commenced. Whether or not the IP Provider intervenes in any such proceedings it shall be entitled at any stage of the proceedings to assume, conduct or control the defence thereof.
- 15.6.4 The IP Recipient shall mitigate and use all reasonable endeavours to minimize the costs incurred, which are subject to any indemnity pursuant to this Condition 15.

16.0 Partial Effectiveness

- 16.1 If any provision of this Agreement is or becomes invalid or unenforceable for any reason, the remainder of the provisions shall continue in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated and such invalid or unenforceable provision shall if possible be replaced by such valid and enforceable provision as would implement the approximate purpose thereof.

17.0 No Joint Venture or Partnership or Employment

- 17.1 This Agreement does not create a partnership or joint venture between the Parties to it and except as expressly provided in this Agreement neither Party will enter into or have authority to enter into any engagement or make any representations or warranties on the other Party's behalf nor will they seek to otherwise bind or oblige the other Party in any way.
- 17.2 Neither this Agreement nor the provision of the Services is intended to create or imply any employment relationship between External Provider and MEPC's staff during the term of this Agreement.

18.0 Assignment

- 18.1 Neither Party will be entitled to assign all or any part of its rights and obligations hereunder without the prior written consent of the other Party. Consent shall not be unreasonably withheld or delayed and, in any event, shall be given unless the other Party, acting reasonably and in good faith, objects to the identity and/or involvement of the proposed assignee as being contrary to its commercial and/or business interests.



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19.0 Entire Agreement

19.1 This Agreement supersedes all prior representations, warranties, promises, statements, arrangements and understandings between the Parties relating to the subject matter hereof and except as expressly provided herein is intended by the Parties to be the complete and exclusive statement of the terms and conditions of, and rights, remedies and obligations of the Parties under, this Agreement or existing at law or arising from the present relationship between the Parties. Each Party acknowledges and agrees that it has not been induced to enter into this Agreement by any representation, warranty or statement by the other Party to this Agreement, which is not expressly contained in this Agreement. Any amendment to this Agreement must, to be effective, be in writing and signed by an authorised representative of each Party.

20.0 Rights Of Third Parties

20.1 No term of this Agreement shall be enforceable by any third party.

21.0 Governing Law and Jurisdiction

21.1 The formation, existence, construction, performance, validity and all aspects of the Agreement will be in accordance with the laws of the Kingdom of Saudi Arabia and the Parties submit to the exclusive jurisdiction of the Kingdom of Saudi Arabia courts.

22.0 Modifications, validity, et al

- 22.1 This Agreement supersedes all previous arrangements and stipulations between the Parties concerning the matter thereof and can only be changed with the written approval of both Parties.
- 22.2 All provisions contained in this Agreement form an integral part hereof.
- 22.3 If any of the provisions of this Agreement becomes invalid, illegal or unenforceable in any respect under any applicable Law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired so far as the same are independent of those void or unenforceable terms.
- 22.4 No Party shall have any claim for innocent or negligent misrepresentation based upon any statement in this Agreement. Nothing in this Condition shall limit or exclude any liability for fraud.

23.0 Change Record:

Revision	Date	Paragraph	Revision History
00	08 Nov 17	All	Terms & conditions initiated