

HADEED'S GENERAL TERMS AND CONDITIONS OF SALE
(VERSION 3, 24 March 2019 G)

Application

These general terms and conditions for the sale of Products (“GTC”) shall apply to any Sales Contract, except as and to the extent otherwise expressly agreed by the Buyer and the Seller as “special conditions” in the relevant Special Terms of the Sales Contract. These GTC shall be incorporated by reference in each and every Sales Contract. In case of conflict or inconsistencies between the GTC and the Special Terms of the Sales Contract, the terms and conditions of the Special Terms of the Sales Contract shall prevail. Any general or special purchase conditions of Buyer are hereby explicitly and entirely rejected and shall not apply to any Sales Contract even if referred to or printed on any purchase order, acceptance, or any other document or communication of or from the Buyer.

Capitalized terms used in these GTC and not otherwise defined shall have the meanings set forth below:

- ”**Affiliate**” means, in relation to either the Buyer or the Seller, any entity which at that time, directly or indirectly, controls or is controlled by or is under common control with such party. ”**control**” means the direct or indirect ownership of thirty percent (30%) or more of the stock, shares or interests entitled to vote upon election of directors or other governing body of the entity or otherwise having the ability to direct the management and policies of such entity, provided that neither the Government of the Kingdom of Saudi Arabia, nor any other sovereign, ministry, governmental agency (other than a commercial entity acting in a commercial capacity), political subdivision of any sovereign or any company or legal entity that is controlled, directly or indirectly, by the Government of the Kingdom of Saudi Arabia (unless such company or legal entity is also controlled, directly or indirectly, by the Seller) shall be considered an Affiliate of the Seller.
- ”**Buyer**” means the person (or entity) who is described in the Special Terms of the Sales Contract as the “Buyer”.
- ”**Contract Price**” means the total price payable for the Products under the Sales Contract, as detailed it in Clause 5.
- ”**Delivery Point**” means the delivery point as determined by the Incoterm specified in the Special Terms of the Sales Contract.
- ”**Product**” means the products which the Buyer buys from the Seller and the Seller sells to the Buyer in accordance with the Sales Contract.
- ”**Product Specifications**” means the specifications or other requirements for the Products set out in the Special Terms of the Sales Contract.

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“Sales Contract” means the binding contract between the Buyer and the Seller for the sale of the Products, which is formed by these GTC and the relevant Special Terms of the Sales Contract (including its annexures) accepted by the Buyer.

“Seller” means Saudi Iron and Steel Company (HADEED), a limited liability company established and existing under the laws of the Kingdom of Saudi Arabia, registered under number 2055000332, and having its principal place of business at P.O. Box 10053, Jubail 31961, Kingdom of Saudi Arabia.

In these GTC, except where the context otherwise requires:

- (a) a reference to a Clause shall refer to a clause of these GTC;
- (b) terms defined in singular include the plural and vice versa;
- (c) the headings in these GTC are for convenience only and shall not affect the interpretation of these GTC;
- (d) a reference to either party shall include that party's successors and permitted assigns;
- (e) a reference to a law, regulation or guideline shall be construed as a reference to such law, regulation or guideline as the same may have been, or may from time to time be, amended or re-enacted;
- (f) a reference to an Incoterm shall have the meaning set out in the Incoterms 2010 published by the International Chamber of Commerce and the meaning of, and responsibilities and obligations under, the applicable Incoterm shall be deemed to be incorporated into the Sales Contract;
- (g) any words following the terms including, include, or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (h) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated inclusive of that day;
- (i) references to years, quarters, months, days, and the passage of time shall be construed in accordance with the Gregorian calendar; and
- (j) references to writing shall include any modes of reproducing words in any legible form and shall include email to the extent confirmed by return email from the recipient thereof.

Article 1 – Sale and Transfer of Risk of Loss and Title:

Section 1.01: The Seller hereby sells and undertake to deliver to the Buyer the quantity of Products mentioned in the Special Terms of the Sales Contract at the Delivery Point and the Buyer hereby purchases and undertake to take delivery of the quantity of Products mentioned in the Special Terms of the Sales Contract at the Delivery Point and to pay the Contract Price, in accordance with the terms and subject to the conditions set forth in the Sales Contract.

Section 1.02: Risk of damage to or loss of Products shall pass to the Buyer in accordance with the Incoterms stipulated in the Sales Contract. Any loss of Products occurring after the Delivery Point shall be to the Buyer's account and all Products so lost shall be deemed to have been delivered by the Seller. Title in the Products shall not pass to the Buyer until the Seller has received in cash or cleared funds payment in full of the Contract Price of the Products.

Article 2 – Delivery and Product Quantity:

Section 2.01 – Delivery: The delivery dates indicated in the Special Terms of the Sales Contract are estimates only (the “**Estimated Delivery Dates**”). The Buyer and the Seller expressly agree that time is not of the essence. The Buyer expressly agree that the Seller shall in no event be liable for any loss or damage whatsoever incurred by the Buyer due to a delay in delivery or non-delivery compared to the Estimated Delivery Dates. The Buyer shall not be entitled to refuse to accept delivery and/or return any Products delivered by the Seller.

Section 2.02 - Operational Tolerance: Notwithstanding the quantity of Products stated in the Sales Contract, an operational tolerance of the percentage mentioned in the Special Terms of the Sales Contract (plus or minus) shall be allowed for each delivery of Products at Seller's option, with an adjustment in the Contract Price and the Seller shall not be considered in breach of the Sales Contract in case the quantity of Products delivered by the Seller at the Delivery Point under a Sales Contract remains within such operation tolerance.

Section 2.03 - Product Quantity Determination: The quantity of the Products actually delivered and sold by the Seller to the Buyer under the Sales Contract shall be determined by the difference in the weight of the relevant road vehicle(s) transporting the quantity of Products sold under the Sales Contract between leaving and entering the Seller's plant in Jubail Industrial City, Kingdom of Saudi Arabia, as measured by the Seller's weighbridge in such plant. The Seller's weighbridge will be checked, verified, and recalibrated by the Seller at appropriate intervals, as per reasonable industry standards. Any technical records, calibration certificate and calculations concerning any measurement of Products sold and delivered under the Sales Contract shall be (a) accessible at all reasonable times for inspection and examination by the Buyer and (b) retained by the Seller for a minimum period of two (2) calendar years. If requested in writing by the Buyer in advance, the Buyer may, at its costs, attend personally (or through a third party appointed by the Buyer at its costs) the weightage process of the relevant road vehicle(s) as per this Clause. The Buyer may at any reasonable time call for joint inspection or testing of the Seller's weighbridge. If the Seller's weighbridge is found to register not more than 0.5% over or 0.5% under the correct reading over its range, the Buyer shall pay any costs incurred in removing, examining and replacing the Seller's weighbridge, including the provisions of any substitute meters but if the Seller's weighbridge registers more than 0.5% over or 0.5% under the correct reading over its range, the Seller shall pay such costs.

Article 3 - Quality:

Section 3.01 - Warranty: The Seller warrants that it has good and valid title to the Products sold and delivered at the Delivery Point under the Sales Contract, and are free and clear of all charges, liens, and encumbrances. The Seller furthermore warrants that such Products, at the time of delivery at the Delivery Point, meet the relevant Product Specifications. SAVE AS AFORESAID, ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS RELATING TO THE PRODUCTS QUALITY, CONDITION, MERCHANTABILITY OR THEIR SUITABILITY OR FITNESS FOR ANY PURPOSE

WHATSOEVER, WHETHER EXPRESS OR IMPLIED AND WHETHER BY LAW OR IN ORAL OR WRITTEN STATEMENTS MADE BY OR ON BEHALF OF THE SELLER TO THE BUYER ARE HEREBY EXCLUDED (SAVE TO THE EXTENT THAT EXCLUSION THEREOF IS NOT PERMITTED OR IS INEFFECTIVE BY OPERATION OF LAW).

Section 3.02 – Buyer’s Claims: The Buyer shall examine the Products upon receipt of delivery of the Products at the Delivery Point and prior to processing or use of the Products. The Buyer shall raise in writing any claims concerning quality or quantity deficiencies which can be discovered by reasonable examination within five (5) calendar days from the receipt of delivery of the Products at the Delivery Point. All deficiencies or claims of any nature, shall be raised in writing within thirty (30) calendar days after receipt of delivery of the Products at the Delivery Point or, if the Special Terms of the Sales Contract specifies FOB as the Incoterm to be used to determine the Delivery Point, within thirty (30) calendar days after the date on which the offloading of the Products from the vessel on which they were loaded at the loading port mentioned in the Special Terms of the Sales Contract was completed. All claims must be in writing, specifying in detail the basis of the relevant claim and shall be accompanied by reasonable evidence supporting such claim. After expiration of the periods referred to in this Clause, the Products are irrevocably deemed to be approved and accepted in good order and the Buyer is deemed to have waived any claim as to their quality and quantity. Notwithstanding the pendency of any claim by the Buyer, all invoices shall be paid in accordance with Clause 5.

Section 3.03 - Product Quality Determination: In case of claim submitted by the Buyer in accordance with Clause 3.02 alleging failure of the Products to conform to the Product Specifications at the time of delivery at the Delivery Point, authorized technical representatives of the Buyer and the Seller shall meet to try to solve this dispute in an amicable manner. In the event of the dispute between the Buyer and the Seller as to the Products conforming or not to the Product Specifications at the time of delivery at the Delivery Point not being resolved within thirty (30) calendar days after receipt of the relevant claim by the Seller under Clause 3.02 (or such longer period as agreed by the Buyer and the Seller), the matter shall be referred to an independent expert entity to be appointed with mutual agreement of the Buyer and the Seller to carry out an analysis. The results of the independent analysis of the said Products shall be binding on the Parties. The cost of independent analysis shall be borne by the non-prevailing party.

Section 3.04 - Exclusive Remedy: If further to a claim issued validly by the Buyer under Clause 3.02:

- (a) it is finally agreed or determined in accordance with Clause 3.03 that the Products supplied under the Sales Contract did not meet the Product Specifications at the time of delivery at the Delivery Point, then as sole remedy to the Buyer, the Buyer and the Seller shall enter into good faith negotiations to agree to an adjustment to the Unit Price for such Products. If the Buyer and the Seller are unable to reach such agreement within fourteen calendar days of the Buyer and the Seller agreeing that the Products did not meet the Product Specifications or the independent expert entity concluded the same, then Clause 10 shall apply;
- (b) the quantity of Product delivered hereunder at the Delivery Point is finally agreed or determined to be different from the quantity set forth in any invoice issued in accordance with Clause 5, a supplemental invoice (reflecting a positive or negative amount) shall be issued to the relevant party reflecting such discrepancy

Article 4 - Product Safety:

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The Buyer acknowledges that it is familiar with the characteristics of the Products and that the Buyer is solely responsible to ensure that (notwithstanding any instructions, information or label given by the Seller as to the use or sale of the Products) the storage, transportation, use, application of the Products as from the Delivery Point shall be in strict compliance with all applicable law and all applicable safety, environmental or other directions, conditions or restrictions imposed by any competent government agency. The Buyer shall indemnify the Seller from and against any and all claim, liability, loss or damage which the Seller might suffer as a result of the Buyer's failure to comply with this condition and/or the applicable laws.

Article 5 - Payment:

Section 5.01 – Contract Price: The price per metric ton of Products sold and delivered at the Delivery Point to the Buyer pursuant to the Sales Contract shall be the amount per metric ton specified in the Special Terms of the Sales Contract (excluding valued added tax (“VAT”)) (the “Unit Price”). The total purchase price (the “Contract Price”) payable for the quantity of Products sold and delivered by the Seller to the Buyer at the Delivery Point under the Sales Contract shall be equal to an amount that is the result of the multiplication of (i) the actual quantity of Products delivered by the Seller to the Buyer at the Delivery Point calculated as per Clause 2.03 by (ii) the Unit Price, as per an invoice issued by the Seller.

Section 5.02 - Payment Terms: Payment of the Contract Price shall be made to the Seller in full in the currency mentioned in the Special Terms of the Sales Contract without any deduction, withholding or setoff whatsoever and in immediately available and freely transferable funds within the period set out in this Sales Contract, or in the event that the payment period is not set out in this Sales Contract, within seven (7) days after the date of loading the Product (with the date loading counting as day zero). Where the last day for payment falls on a Friday, Saturday or on a weekday which is not a day on which banks are open to the public for carrying on substantially all banking functions in Riyadh, Kingdom of Saudi Arabia (a “Banking Day”), then any such payment shall be made on the nearest preceding Banking Day.

Section 5.03 - Payment Method: Payment shall be in accordance with the payment method set out in the Special Terms of the Sales Contract. All banking charges imposed or levied by the bank making the payment for telegraphic transfers shall be for the account of the Buyer and all banking charges imposed or levied by the bank receiving the payment (if any) shall be for the account of the Seller.

Payment by Letters of Credit (L/C) shall be effected by a clean workable, irrevocable, unconditional and confirmed L/C payable as provided in the Special Terms of the Sales Contract and made available at a local counter at a location specified by the Seller. The L/C shall be in a format acceptable to the Seller, issued by a first-class bank acceptable to the Seller and received by the Seller at least the number of days mentioned in the Special Terms of the Sales Contract before the earlier of (i) the date of delivery or (ii) the first loading date.

Section 5.04 - Taxes, Duties and Other Charges: Where VAT is applicable to the Products supplied under the Sales Contract and payable by the Buyer under the Sales Contract, the Buyer shall, on receipt of a VAT invoice from the Seller, pay to the Seller an amount equal to the VAT calculated on the Contract Price at the prevailing rate, at the time the relevant supply of Products is made. The amount of any taxes, duties, imposts, fees, charges and dues of every description imposed or levied by any governmental, local, or port authority on the Products sold under the sales Contract, or on its export, delivery, transportation, ownership, sale or use, in respect of any stage after such Products reaches the Delivery Point, shall be for the Buyer's account.

Section 5.05 - Change in Buyer's Financial Circumstances: If, in the Seller's judgment, reasonable doubt exists as to the Buyer's financial responsibility, or if the Buyer is past due in payment of any amount whatsoever owing to the Seller or its affiliates, the Seller shall have the right, without prejudice to any other remedies, to suspend performance, decline to ship, or stop any material or goods in transit, until the Seller receives payment of all amounts owing to the Seller or its affiliates, or adequate assurance of such payment.

Section 5.06 – Digital Invoices: The Seller shall be entitled at its discretion to issue invoices to the Buyer in digital format via e-mail. Such e- invoices shall be deemed originals. Upon the Seller's request, the Buyer shall be responsible for providing a dedicated and secure e-mail address and will give Seller at least a five (5) days written notice before changing such e-mail address.

Article 6 - Limitation of Liability and Claims:

Section 6.01 - Liability for Defective Products: Subject to Clause 3.03, the Seller shall not in any way be liable, either in contract or otherwise howsoever arising, for loss, injury or damage of whatsoever nature sustained by the Buyer or any other person by reason of any defect or deficiency of Products whether such defect or deficiency be latent or apparent on examination and the Seller shall not be liable to the Buyer in respect of any claim made against Buyer by a third party for any such loss injury or damage. The Buyer assumes all risk and liability associated with the purchase, import, ownership, possession, storage, use or resale of Products sold pursuant to the Sales Contract.

Section 6.02 - Aggregate Liability: The Seller's aggregate liability to the Buyer, with respect to any claim, demand, loss, injury or damage, whether under contract or otherwise howsoever arising, in connection with Products or any breach by the Seller of its obligations under the Sales Contract, shall be limited to the Contract Price payable or paid by the Buyer for the Products.

Section 6.03 - No Consequential Loss: In no event, including the negligent act or omission on its part, shall either party be liable to the other, whether under this Sales Contract or otherwise in connection with it, or in contract, negligence, equity, breach of legal duty or otherwise howsoever arising, in respect of:

- (i) any special, incidental, punitive, indirect or consequential losses or expenses (whether or not foreseeable); and
- (ii) all of the following:
 - a) loss of anticipated profits;
 - b) loss of goodwill;
 - c) loss of use; and
 - d) loss of commercial opportunities whether or not foreseeable.

Article 7 - Termination of Contract

Section 7.01 - Termination: Either party may terminate this Sales Contract immediately by giving written notice to the other party (the "**Defaulting Party**") if the Defaulting Party commits a breach of any of the provisions of this Sales Contract and, in the case of such a breach which is capable of remedy, fails to remedy the same within ten (10) days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied.

Section 7.02 - Accrued Obligations: Termination of this Sales Contract shall be without prejudice to any other right or remedy or any accrued obligations or liabilities of either Party.

Article 8 - Export and Import Controls:

Section 8.01 - Export Law Compliance: The Buyer shall ensure that it is compliant to all export and import control laws and regulations of the country of origin and /or shipment of the Products, in accordance with the relevant Incoterm. In the event Seller has reasonable grounds for believing that the aforesaid export control laws and regulations will not be complied with, the Seller may, at its sole discretion (and without prejudice to any other rights), terminate or forthwith suspend delivery under the Sales Contract until further notice or decline to commence or complete loading hereunder on notifying the Buyer either in writing or orally (followed by written confirmation).

Article 9 - Force Majeure:

Section 9.01 - Definitions: For the purpose of this Article 9: "**Affected Party**" means the party with respect to whom a Force Majeure Event has occurred.

"**Force Majeure Event**" means any event or circumstance, the occurrence and the effect of which the party affected thereby is unable to prevent and avoid notwithstanding the exercise of reasonable foresight, diligence and care on the part of that party. Without prejudice to the generality of the foregoing, the following shall be regarded as a Force Majeure Event:

- (i) any act of God, explosion, flood, lightning, tempest, fire or accident;
- (ii) war, hostilities (whether war was declared or not), invasion, act of foreign enemy;
- (iii) rebellion, revolution, insurrection, military or usurped power or civil war;
- (iv) riot, civil commotion or disorder, sabotage or requisition;
- (v) acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority;
- (vi) import or export regulations or embargoes; and
- (vii) strikes, lock-outs or other industrial actions or trade disputes affecting the Seller (whether involving employees of the of the Seller, the Seller's Affiliates or of a third party).

Section 9.02 - Force Majeure Relieve: Neither party shall be liable to the other party, or be deemed to be in breach of the Sales Contract, by reason of any delay in performing or any failure to perform any of its obligations (other than the obligation to pay the Contract Price), if the delay or failure was due to a Force Majeure Event, provided that the Affected Party shall, as soon as reasonably possible, serve on the other party written notice thereof specifying the particulars of the Force Majeure Event and the estimated period during which the Affected Party is unable to perform and discharge its obligations. The Affected Party shall take all action reasonably within its powers to minimize the duration and effect of the Force Majeure Event on the Affected Party.

Article 10 - Dispute Resolution:

Section 10.01 Saudi Courts: If at any time any dispute, controversy or claim arising out of or in connection with the Sales Contract, including any question regarding the existence, breach, validity or termination thereof ("**Dispute**"), either the Buyer or the Seller shall give notice to the other in writing of the existence of such question, dispute, difference, or controversy, specifying its nature and the point of issue. The Buyer and the Seller shall have sixty (60) calendar days from the date of such notice, or such later period as may be agreed by the Buyer and the Seller, to resolve such question, dispute, difference or controversy amicably.

Any Dispute that remain unresolved at the expiration of the period specified above, shall be submitted to the executive jurisdiction of the relevant courts in the Kingdom of Saudi Arabia.

Article 11 - Governing Law:

Section 11.01 - Governing Law: The Sales Contract shall be governed and construed in accordance with the laws of the Kingdom of Saudi Arabia.

Section 11.02 - Convention Exclusion: The provisions of the United Nations Convention on Contracts for the International Sale of Goods (April 1980) are expressly excluded from application to the terms and conditions of the Sales Contract and all implied representations and warranties provided for therein are likewise excluded.

Section 11.03 - No Third Party Rights: No person who or which is not party to the Sales Contract shall have any right under the Sales Contract to enforce any provision of the Sales Contract against one of the parties.

Article 12 - General:

Section 12.01 - Assignment: Neither party may assign or transfer any of its rights or obligations under the Sales Contract or any part thereof without the prior written consent of the other party.

Section 12.02 - Entire Agreement: The Sales Contract supersedes all previous agreements and understandings between the parties with respect to the sale and purchase of Products, and may not be modified except by a written document which expressly states the intention of the parties to modify the Sales Contract, and signed by the duly authorized representatives of the parties.

Section 12.03 - Non Waiver: No failure on the part of either party to exercise, and no delay on its part in exercising, any right or remedy under the Sales Contract will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 12.04 - Confidentiality: The content of the Sales Contract and/or any information received from Seller in connection with the Sales Contract, (including but not limited to, information regarding the manner in which business is conducted between the Parties and ancillary documents emanating from the Sales Contract) shall be held strictly confidential by the Buyer and shall not be disclosed or made accessible by the Buyer to any third parties without the prior written consent of the Seller, provided that the Buyer may, without such approval of the Seller being required, disclose any such information to: (a) its employees or its Affiliates' employees to the extent reasonably necessary for the performance of the Sales Contract, provided that such employees are bound by confidentiality obligations not less stringent than contained in the Sales Contract; or (b) to the extent required by any applicable laws, any governmental authority or court order. The Buyer's obligations referred to in this Clause shall not apply to any information, which Buyer can prove by written evidence: (a) is or through no breach of the Sales Contract by the Buyer becomes generally known or available to the public; (b) is known to the Buyer at the time of disclosure; (c) is after disclosure by the Seller disclosed to the Buyer in good faith by a third party without breach of an obligation of secrecy to the Seller; or (d) was developed by or on behalf of the Buyer independently of the information received from the Seller.

Section 12.05 - Severability: In case any provision in the Sales Contract is, or at any time becomes invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provision of the Sales Contract but the Sales Contract shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 12.06 - Surviving Obligations: The termination, cancelation or expiration of the Sales Contract shall be without prejudice to any rights or obligations which accrued prior to such termination, cancelation or expiration and shall not affect Articles 1 (Risk of Loss and Title), 6 (Limitation of Liability and Claims), 10 (Dispute Resolution), 11 (Governing Law) and 12.04 (Confidentiality), which shall survive any such termination, cancelation or expiration.

Section 12.07 – Ethics and Compliance: Each party will ensure that it does not directly or indirectly pay, offer, give, promise to pay or give, or authorize the payment or giving of any money or anything of value to any person or entity for the purpose of illegally or improperly inducing a decision or obtaining or retaining business or any advantage in connection with the Sales Contract. The Buyer undertakes (i) to maintain and comply with reasonably adequate policies relating to ethical standards of behaviour or, as a minimum, (ii) to comply with the applicable anti-Corruption provisions of the Seller's code of ethics (available at www.sabic.com/corporate/en/ourcommitments/codeofethics/default.aspx). Each party will comply with all applicable country laws relating to anti-corruption or anti-bribery, including, but not limited to, legislation implementing the OECD "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions", the UK Bribery Act, the U.S. Foreign Corrupt Practices Act and the Anti-Bribery Regulations of the Kingdom of Saudi Arabia, as amended, and any other applicable country laws relating to anti-corruption or anti-bribery.