

Document of Agreement

COMPANY

COMPANY NUMBER(S):

SUPPLIER:

DOCUMENT OF AGREEMENT DATE:

By signing this Document of Agreement, the Supplier unconditionally accepts all conditions and terms of this agreement.

Company issue a Purchase Order which shall confirm conditions and terms of this agreement.

Supplier agrees to accept Company's Instructions and Conditions, as the sole conditions underlying this 'Document of Agreement' and the Company Purchase Order. Supplier agrees to confirm the Company Purchase Order by returning the Purchase Order confirmation copy within ____ calendar days after receipt, unconditionally, dated and legally signed for acceptance. (Terms in your possession).

For orders for Field Work Company's
will be applicable in addition to the Company
(terms in your possession), number:

This document authorizes Supplier to proceed and to start all relevant activities for proper and prompt execution of this agreement and the Supplier commits himself to proceed accordingly and to commence all activities immediately after signing of this agreement.

The Supplier shall supply strictly in accordance with requisition number:
..... Rev. __, and all its attachments, including additional agreements as per marked-up copy. All will be included in the forthcoming Rev. __, issue 'for supply', which will form part of the Company Purchase Order.

Document of Agreement

PRICE ADJUSTMENT RESULTING FROM SPECIFICATION CHANGES:

Possible future changes during the design period, involving the addition and/or deletion of nozzles of additions of additions/deletions to our present requirements for clips etc., will involve price increases/decreases as follows:

Nozzles:

Clips:

CURRENCY:

.....

V.A.T.

- a) Applicable
- b) Not applicable, goods are destined for export to:
.....
- c) Not applicable, however, Supplier's invoice shall state:
'Goods will be imported into using,
VAT No.'

FIRM PRICES:

The price(s) stated is/are firm and fixed for the duration of the Purchase Order and make(s) provisions for and is/are inclusive of any and all escalations in costs.

DELIVERY CONDITION:

.....

.....,

according to Incoterms 1990 edition.

Document of Agreement

DELIVERY (COMPLETION) DATE:

.....
.....
.....
.....
.....
.....
.....

START ERECTION:

.....
.....

COMPLETION OF ERECTION:

.....
.....

Note 1: Partial deliveries are requested/allowed

Note 2: Documentation submittance as per Company's 'Documents requirements' attached to the requisition, shall be taken from:

- a) Date of the Document of Agreement
- b) Date of the Purchase Order

PACKING/MARKING AND SHIPPING INSTRUCTIONS:

According to PMS instructions number Rev. __, is:

- a) in your possession
- b) attached to this document
- c) will be sent later

Packing costs: All costs are included in the total Purchase Order amount.

Document of Agreement

DELIVERY GUARANTEE:

Should the above delivery date be extended, then the following liquidated damages will apply:

- a) ___% of the value of the item(s) overdue, or
- b) ___% of the entire order value
for each week or part thereof (starting on _____) to a maximum of ___%, of the total order value.

PAYMENT:

- a) 100% net within thirty (30) days after delivery
___% cash discount, ___ days after delivery, subject to availability of:

- signed acknowledgment copy of order
- all 'Supplier furnished documents'
- properly executed invoice
- shipping documents

- b) Incremental payments will be made as follows:
 - ___% upon receipt of signed acknowledgment copy of order without restrictions/provisions, unpriced copies of major suborders and approval of the following drawings:

- ___% upon availability in your shop of all materials required by you to guarantee smooth continuous fabrication of the equipment covered by this order, and upon actual start of such fabrication, whichever is later.

*Note:*In making payment of this increment, purchaser obtains the proprietary rights of these materials. Supplier to furnish purchaser with an appropriate 'Certificate of Ownership', as per attached example.

-
-
-
-
-
-

- ___% upon delivery, subject to availability of all 'Supplier Furnished Documents'.

Document of Agreement

All payments will be made within thirty (30) days after fulfillment of above conditions and receipt of your properly executed invoice, covering the installment due, whichever is later. The final payment, shall be covered by a bank guarantee, issued by first class reputable bank, as per attached example, in the amount of ___% of the total order value, which guarantee shall be valid until the ultimate expiration of the contractual guarantee period.

Note 1: In case partial (pre) deliveries are allowed, Supplier may send separate invoices provided each invoice is minimum 25% of the total Purchase Order amount.

Note 2: Supplier's last (final) invoice shall state: 'This is our final invoice. We herewith declare that all goods have been delivered, all documentation has been submitted and all further requirements of the Purchase have been completely fulfilled.'

Note 3: Supplier's invoices not in accordance with the requirements and instructions may be rejected.

OPTIONAL BANK GUARANTEES:

- a) A bank guarantee of ___% of the total Purchase Order amount is to be submitted with the invoice for the (first) payment to cover the period until the end of the guarantee period (Ext. Per.)
- b) A bank guarantee of ___% equal to the value of the first installment is to be submitted with the invoice for the (first) payment to cover the period until DELIVERY OF ALL THE GOODS.
- c) A bank guarantee equal to the value of the incremental payment amounts to be submitted together with the invoices for each incremental payment to cover the period until the delivery of all the goods.

Note 1: Company 's 'Draft Bank Guarantee' is:

- in your possession
- attached to this document
- will be sent later

Note 2: Related bank costs are for the account of the Supplier.

Note 3: Receipt of bank guarantee(s) is a condition for payment.

Document of Agreement

INVOICING:

Your invoice shall be made out in one (1) original and __ copies,

in the name of:

and mailed to: Company
 Project Accounting Department
 <Address>
 <City>
 <Country>

Supplier is to identify the invoices with Purchaser's order number.

Important: Our VAT number, _____, must be clearly stated on all invoices.

Supplier FURNISHED DOCUMENTS/SUBMITTAL DATES:

Drawings, etc., as specified on the applicable sheet of the requisition, shall be forwarded free of charge by Courier Service to the following address:

Company
Vendor Print Control Department
<Address>
<City>
<Country>

SUBMITTAL DATE FOR DRAWINGS:

As per the requisition to be submitted not later than

.....

.....

.....

.....

.....

.....

Document of Agreement

Note 1: Supplier is to identify all documents with Purchaser's order and item number(s).

Note 2: In order to meet the required delivery, all approvals, reviews and authorizations, shall be given within 14 + 2 calendar days. To facilitate drawing approval, Supplier is prepared to send their engineer(s) to review supplier drawings at Company office.

Certificates etc., as specified in the requisition shall be made available by Supplier to purchaser's inspector at the time of inspection. Immediately upon inspection acceptance, Supplier shall forward ___ copies of these documents to the following address:

Company
<Address>
<City>
<Country>

Note 3: Supplier is to identify all documents with purchaser's order and item number(s).

Note 4: All documents and drawings requiring Authority approval are to be submitted in the English language, as well as all final operating instructions and manuals and all installation instructions.

Note 5: SPIR-forms to be duly filled out and returned to Purchase.

Note 6: Equipment record card as per Company requisition.

GUARANTEE:

As per Company's Instructions and Conditions

Note: In contradiction with Company's Instruction and Conditions the guarantee period is:

___ months of continuous operation but not later than

.....
.....
.....
.....
.....

Document of Agreement

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

FOR PIPING ORDERS:

Document of Agreement

BLANKET ORDER

MAXIMUM PRICE OF ORDER:

The maximum price of this blanket order is (insert amount). The aggregate total of all amounts to be paid to Supplier pursuant to this Purchase Order (excluding tax and freight) shall not exceed the stated maximum price of order without the prior written consent of Purchaser. Supplier shall notify Purchaser immediately in writing once ninety (90) percent of the maximum price has been reached.

PRICING NOTE:

Unit prices as quoted are firm for orders placed up to, and deliveries thru

TERM OF ORDER:

Supplier shall supply such materials listed herein per the attached Requisition as may be ordered by Purchaser commencing and continuing through after which time this blanket Purchase Order shall automatically terminate unless extended in writing or otherwise canceled as provided herein. Supplier shall not furnish any materials under this Blanket Purchase Order pursuant to any release received after unless this order is extended in writing.

PURCHASER'S RIGHTS:

This blanket order is not exclusive and Purchaser and/or its Client reserves the right to obtain the same or similar goods from other Suppliers as may be necessary to fulfill the requirements.

PURCHASER'S ESTIMATE:

Purchaser has made a good faith attempt to estimate total project requirements. Purchaser estimates but does not guarantee or otherwise assure that it will request any or all of the items/quantities indicated in this blanket order. The blanket Purchase Order is subject to quantity increase or decrease at no change in unit pricing or subject to added/subtracted items. For any additional items pricing at the same level of the Blanket Purchase Order should be quoted first before material releases can be given. Such estimates shall not give rise to any claim whatsoever by Supplier for quantities of items not actually ordered, including but not limited to claims for anticipated profits or compensation for overhead or other related costs.

Document of Agreement

MATERIAL RELEASE:

Once the blanket Purchase Order has been established, material releases shall be given to Supplier by Purchaser or Purchaser's representative via a sequentially numbered Purchase Order Release(s). These Purchase Order Releases will reference the blanket order agreement and contain the change order number (release number), sequential Purchase Order Item Numbers identifying each individual piece of material released, purchase description, size and the quantity for release at the agreed pricing. Supplier is to immediately confirm via a facsimile acknowledgment to Purchaser that all pricing correctly reflects the prices established in the original blanket order, advise current deliveries and enter material into production.

STOCKING: *

Supplier will stock - for sole availability of and at no extra costs to Purchaser - at least ten (10) percent of the purchased quantities of the following: (specify material, item, size for pipe, fittings, flanges), until, 200..... .

for valves:- all types of valves up to/incl.", until, 200..... . *

CANCELLATION CHARGES: *

No cancellation charges for all types of valves, sizes up to/incl.", for the duration of the contract.

No cancellation charges for all types of valves, sizes", up to incl.", during the first weeks,% cancellation charges from week until delivery.

No cancellation charges for all types of valves, size" and charges during the first weeks, % cancellation charges during week thru,% cancellation charges after week

The charges indicated above are the maximum cancellation charges and that the actual charges in case of cancellation will be settled in accordance with the relating clauses of the Instructions and Conditions of Company.

INVOICING INSTRUCTIONS:

Supplier shall not the applicable release number for each release on each invoice.

Note: * MEANS OPTION OR ALTERNATIVE CLAUSE(S)

ISSUE	SHEET	DOC.NO.
	11 of 16	Attachment 2

Document of Agreement

INVOICE AUDIT:

Payment of Supplier's invoices will be made in accordance with payment terms of this Purchase Order. However, such payment shall be subject to audit and verification by Purchaser. If audit discloses discrepancies, errors, or insufficient documentation, Purchaser shall promptly advise Supplier with reasonable explanation and Purchaser shall debit against Supplier's future invoices any amounts due Purchaser or shall notify Supplier of the amounts due Purchaser.

If Supplier substantiates accuracy of the invoice by documents satisfactory in form and content to Purchaser and Purchase accepts justification, then Supplier shall submit a corrected invoice for the agreed amounts.

Supplier further agrees that in the event discrepancies cannot be covered by credit to future invoice to Purchaser, Supplier shall submit payment to Purchase within 30 calendar days after Purchaser's request for same.

OVER DELIVERIES/UNDER DELIVERIES:

In accordance with the conditions of the order, Purchaser is entitled to rejected "over deliveries". The cost for return are for Supplier's account. Not following the above instructions will delay the release of Supplier's invoices, especially if "over deliveries" are stated on your invoice. "Under deliveries" are not acceptable.

BUY-BACK CLAUSE:

For surplus material Supplier accepts to repay% of the unit prices, with a maximum of% per item. Delivery free on truck by Purchaser, cost for transportation to your warehouse are for your account. Materials to be in an acceptable condition and supported by appropriate certificate(s).

MARKING AND COLOR CODING:

The costs for making and color coding, as per our requirements, are included in your scope and prices.

Document of Agreement

GENERAL CONDITIONS

1. EXPEDITING/INSPECTION

By Company/client and/or their delegates, and further as mentioned in the requisition, at Suppliers own Premises and/or if not agreed otherwise.

If not specified elsewhere in the Purchase Order, the following costs are included in the total Purchase Order amount.

- All costs necessary to obtain and to supply all inspection documents and material certificates.
- All costs for any inspection authority or organization.

Not for the Supplier's account are the personal cost for Company's inspectors such as traveling, lodging, salary etc.

Note 1: You are not allowed to ship and goods without Company's written release note.

Note 2: All costs due to extraordinary expediting and/or inspection activities required by Company to maintain the conditions as stipulated in the Purchase Order will be charged to the supplier.

2. CONTRADICTIONS / COMPLETENESS

Supplier is obliged to inform Company of any contradictions or incompleteness in the Purchase Order and/or in any reference documents, this shall not void the Purchase order in it's entirety. The parties are committed to finalize conditions immediately.

3. CORRESPONDENCE

All correspondence related to the Purchase Order must be submitted in the English Language.

Document of Agreement

4. MATERIALS/PERFORMANCES

Base materials partly or fully completed materials and related performances are the property of Company at any stage of the execution of this Purchase Order.

5. CHANGES IN CONDITIONS

If, during the execution of the Purchase Order, any increase or decrease in cost, or any change in other conditions occurs, this shall immediately be reported in writing to Company's Purchasing Department for approval. Invoices in excess of the total Purchase order amount will not be handled and changes in conditions will not accepted unless covered by an amendment to the Purchase Order.

6. FIELD ASSISTANCE

Supplier shall provide the services of an engineer at the plant site to give technical assistance in the assembly/erection and initial start-up of above equipment, and/or to train personnel in the proper operation and maintenance.

The charges for these services will be _____ per working day at the jobsite, plus normal living expenses and one round trip _____ class transportation from _____ via _____. It is expected that this engineer will not be require for a total of more than a total of ___ days. Any prolonged stay of your engineer, due to mal performance of the equipment. as well as inactive waiting time of your engineer, due to late arrival of parts, etc., to be supplied by Supplier, will be at no cost to Purchaser.

_____ hours/day
_____ days/week

7. REFERENCE

Your quotation number _____, dated _____ and subsequent communications. This reference applies only as far as it is not in contradiction with this Purchase Order and its accompany documents.

Document of Agreement

8. EXECUTIVE SPONSOR/Supplier CONTACT

_____ is appointed the Executive Sponsor for this Purchase Order. The Executive Sponsor shall remain aware of Supplier's obligations and performance under this Purchase Order and will be available at all reasonable times to Purchaser and Owner's management for communications as required under this Purchase Order.

Supplier has appointed _____ to be responsible for all matters connected with this order. He will be responsible to the Executive Sponsor and will be the focal point and contact for all matters.

Telephone:

Telefax:

9. ATTACHMENTS

Instructions and Conditions, on reverse side of our Request of Quotation

List of Vendor Furnished Documents with agreed delivery dates

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Document of Agreement

In case of order placement not later than.....
all above conditions are applicable and all above attachments form on integral part of the order.

SIGNED FOR ACCEPTANCE BY BOTH PARTIES

For and on behalf of

For and on behalf of

Company

PROCUREMENT DEPARTMENT

Name: _____

Name:

Title: _____

Title:

Supplier's postal address: