Terms & conditions for the purchase of goods and services
At Shell, we consider good business to be about relationships, and trust to be at the heart of good business relationships and practice. The people and companies you trust and have good working relationships with are those you do the best business with. A contract represents the formal basis for trust between the parties who sign it. For all parties to commit to it, a contract must be an accurate account of the agreement reached; and, for it to be read and understood, it must be written in terms that are accessible and familiar. This document aims to honour that trust by laying out its terms and conditions as clearly and unambiguously as possible.

shell.com/termsandconditions

These terms and conditions apply to the contract between COMPANY and CONTRACTOR. This contract may be in the form of a purchase order or a work statement (the contract). These terms and conditions are binding between COMPANY and CONTRACTOR; they supersede and replace any CONTRACTOR terms and conditions or previous contracts for any goods or services (defined as scope in the contract). If the parties to this contract agree any special terms, those terms should be documented and added to the purchase order terms – or a further contract should be drawn up containing those special terms. Where these terms and conditions are attached to or incorporated in a contract issued under an existing contract, the terms and conditions of that existing contract will over-rule those of the later contract.

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What we mean by some of the words used in the contract

1 Definitions

This section gives the meaning of words and expressions (presented here in bold) that are used in the contract. Any word that appears in italics is defined elsewhere in this section.

Acceptance is the point at which COMPANY accepts scope (the goods to be delivered or the services to be performed) in writing – or is considered to have accepted scope in the manner set out in the contract.

Affiliate of a person is any other person who
(b) directly or indirectly controls or is controlled by the first person or
(c) is directly or indirectly controlled by a person who also directly or indirectly controls the first person

A person controls another person if that first person has the power to manage the other person, or to influence the way in which they are managed – this can be directly or indirectly, through one or more intermediaries or in other ways. This control may be exerted by ownership of shares or other equity interests, the holding of voting rights or contractual rights, by being the general partner of a limited partnership, or otherwise. Any affiliate of Royal Dutch Shell, plc is an affiliate of COMPANY.

Agency personnel are those contractor personnel who are not direct employees, but are working under the direct control and supervision of contractor group.

Anti-corruption laws include the United States Foreign Corruption Practices Act of 1977, the United Kingdom Bribery Act 2010, and all other applicable laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of any government official or any other person – these laws also prohibit providing unlawful gratuities, facilitation payments, or other benefits to such people.

Applicable data protection law covers all laws, rules, regulations, governmental requirements, codes, as well as international, federal, state, provincial laws that apply to COMPANY when acting as a controller or processor of personal data.

Applicable laws may apply to a person, property, or circumstance, and may be amended from time to time. Applicable laws include:
(a) statutes (including regulations enacted under those statutes)
(b) national, regional, provincial, state, municipal or local law
(c) judgments and orders of courts of competent jurisdiction
(d) rules, regulations and orders issued by authorities
(e) regulatory approvals, permits, licences, approvals and authorisations

Authorities refers to the government and any county, municipality, local government or other political subdivision, instrumentality, ministry, or department that has jurisdiction over any part of scope, or any county, municipality, local government or other political subdivision of any of these listed.
Terms & conditions for the purchase of goods and services continued

Books and records include books, accounts, contracts, records and documentation, in electronic format or otherwise, relating to the contract and performance of scope.

Company group indicates COMPANY and:
(a) its co-venturers and joint ventures
(b) any affiliate of COMPANY (and its joint ventures, or its co-venturers)
(c) any director, officer, employee, or other individual working under the direct control and supervision of COMPANY (and its joint ventures, or co-venturers), or the affiliates of COMPANY (and its joint ventures, or co-venturers). A reference to company group includes a reference to each of its member individually.

Company provided items indicate materials equipment, services or facilities provided by COMPANY to CONTRACTOR to perform scope.

Confidential information is data, software and all technical, commercial, financial, legal or other information, and items that record such data, software or information disclosed by or on behalf of company group to contractor group, all work product, personal data, and scope, and the terms of the contract.

Consequential loss covers:
(a) indirect or consequential losses
(b) loss of production, loss of product, loss of use, and loss of revenue, profit or anticipated profit, whether direct, indirect or consequential, and whether or not the losses could have been foreseen at the time of entering into the contract

Contract price is the total amount that COMPANY is due to pay CONTRACTOR under the contract.

Contractor equipment refers to any machinery, plant, tools, equipment, goods, materials, supplies and other items (including all appropriate associated spare parts, storage containers, packing and securing) owned or contracted for by contractor group unless the ownership of these items has not passed and will not pass to COMPANY under the contract.

Contractor personnel indicates any individual provided by contractor group whether directly or indirectly, and assigned to work in connection with the performance of scope. That individual may or may not be an employee of contractor group.

Co-venturer is any person who is a party to a joint operating agreement, production sharing arrangement or similar agreement or arrangement solely for the purposes of such agreement or arrangement with COMPANY or any of its affiliates. A reference to co-venturer includes a reference to each co-venturer.
Terms & conditions for the purchase of goods and services continued

individually and to their respective successors and permitted assigns (the people to whom the property or interest of a co-venturer may be transferred).

![Diagram showing parties to an agreement relating to the scope performed under the contract]

- Party to any agreement relating to the scope performed under the contract
- Successor
- Permitted Assignee

**Force majeure event** is an event that cannot reasonably be anticipated or avoided – the contract sets out what events qualify as force majeure events.

**Goods** cover the goods, materials, products and equipment **CONTRACTOR** is to supply under the contract.

**Government official** is a term that covers:
(a) any official or employee of any government, or any agency, ministry, or department of a government (at any level)
(b) anyone acting in an official capacity for a government, regardless of their rank or position

(c) any official or employee of a company wholly or partially controlled by a government (e.g. a state-owned oil company), political party, or any official of a political party
(d) any candidate for political office, or any officer or employee of a public international organisation (e.g. the United Nations or the World Bank)
(e) any immediate family member (meaning a spouse, dependent child or household member) of any of the people identified in (a) to (d)

**Health, Safety, Security and Environment (HSSE) standards** include:
(a) all HSSE policies, manuals, standards, rules and procedures – as communicated to **CONTRACTOR** by or on behalf of **COMPANY** – designed to manage HSSE risks during performance of **scope** under the contract
(b) all applicable laws relating to HSSE
(c) any other rules and procedures (whether issued by **company group** or otherwise) in force at a relevant **company group worksite** at the time of performance of **scope**

**Indemnify** is to release, save, defend and hold harmless.

**Indirect taxes** include:
(a) value added tax
(b) goods and services tax
(c) sales tax or similar levy

**Insolvency event** is if or when a **person**:
(a) stops or suspends, or threatens to stop or suspend, payment of all their debts or a material part of their debts, or is unable to pay their debts as these fall due
(b) ceases or threatens to cease to carry on all or a substantial part of their business

(c) begins negotiations for, starts any proceedings concerning, proposes or makes any agreement for reorganisation/compromise/deferral/general assignment of, all or substantially all of their debts
(d) makes or proposes an arrangement for the benefit of some or all of their creditors of all or substantially all of their debts
(e) takes any step with a view to the administration, winding up, or bankruptcy of that **person**
(f) is subject to an action that involves securing possession of all, or most of their assets, or selling these off to pay a debt, or any similar process, including the appointment of a receiver, trustee in bankruptcy, or similar officer
(g) is subject to any event under the law of any relevant jurisdiction that has an analogous or equivalent effect to any of the **insolvency events** listed above

**Intellectual property (IP) rights** cover patents, copyrights (including rights in computer software), database rights, design rights and rights in proprietary technical information and I know-how, trade-secrets and inventions, trademarks, servicemarks and design marks, whether these are all registered or not, including all applications for any of them and all equivalent rights in all parts of the world; these rights apply in all circumstances and at any stage of their full term, and include any divisions, reissues, reexaminations, continuations, continuations-in-part, and renewals.

**Joint venture** refers to any entity:
(a) which itself is not an affiliate of **COMPANY**
(b) in which an affiliate of **COMPANY** has a direct or in direct ownership interest
(c) the activities of which are related to **scope**
Terms & conditions for the purchase of goods and services

continued

**Liabilities** cover liabilities for all claims, losses, damages, costs (including legal fees) and expenses.

**Liens** is a French word that identifies the right of a **person** to keep possession of attachments, charges, claims or other rights or interests against **scope** or property of **company group**.

**Liquidated damages** are the sums of money agreed in the contract that **CONTRACTOR** must pay to **COMPANY** if certain events or obligations specified in the contract are not achieved or are not achieved in the time agreed.

**Other Contractor** identifies any other contractor engaged by **COMPANY** to perform work at the worksite.

**Other permitted buyer** refers to:
(a) joint ventures
(b) **Shell contractors**

**Person** refers to a human being or a legal entity – including any partnership, limited partnership, limited liability **COMPANY**; corporation, firm, trust, body corporate, government, governmental body or agency, or unincorporated venture.

**Personal data** covers all information relating to an **identified** or identifiable individual (unless another definition has been agreed for it under **applicable laws**).

**Restricted jurisdiction** relates to countries or states that are subject to comprehensive economic or trade sanctions, restrictions, or embargoes (which the relevant **authorities** may amend from time to time).

**Restricted party** refers to:
(a) any **person** resident, established or registered in a restricted jurisdiction
(b) any **person** classified as a US Specially Designated National or otherwise subject to blocking sanctions under **trade control laws**
(c) any **affiliates** of such **persons**
(d) any **person** acting on behalf of a **person** referred to in any of the three categories given under this entry

**Scope** refers to all activities and obligations performed under this contract including **goods** to be delivered or the **services** to be performed by or on behalf of **CONTRACTOR** under this contract, and any **work product** provided.

**Services** are those to be supplied by **CONTRACTOR** under the contract, including the results of those **services**.

**Shell contractor** refers to a person acting as a **CONTRACTOR** of an **affiliate** of **COMPANY**.

**Software** includes any **software** that forms part of **scope** or is necessary for the intended use of **scope**, the term includes the database and all machine codes, binaries, object codes or source codes (whether in a machine or human readable form), and all improvements, modifications, and updates, flow charts, logic diagrams, passwords, and output tapes, and any future updates, releases and generally available associated **software** items, together with the licence to use them or ownership rights in them.

**Standards of practice** is a term used with reference to **scope** and the performance of **scope** to define the sound standards, methods, skills, care, techniques, principles and practices that are recognised and generally accepted in the international energy industry.

**Subcontract** refers to any contract between **CONTRACTOR** and a **subcontractor** or between a subcontractor and another **subcontractor** of any rank or level for the performance of any part of **scope**; the term includes any specific contract (or call-off) under framework agreements of **COMPANY** or an **affiliate** of **COMPANY** and supply agreements for materials.

**Subcontractor** identifies any party to a subcontract, other than **COMPANY** and **CONTRACTOR**, including any employers of **agency personnel** (except as explicitly provided otherwise).
Terms & conditions for the purchase of goods and services continued

**Taxes** covers all taxes, duties [import, export, customs, stamp or excise – including clearing and brokerage charges], levies, charges, surcharges, withholdings, deductions, or contributions that are imposed or assessed by any competent authority of the country where **scope** is performed or any other country in accordance with applicable laws.

**Trade control laws** covers all applicable laws concerning trade or economic sanctions or embargoes, **restricted party lists**, trade controls on the import, export, re-export, transfer or otherwise trade of goods, services, software, or technology, including those of the European Union, the United Kingdom and the United States of America.

**Variation** is a modification, alteration or deletion of all or part of **scope**, or an addition to it.

**Variation assessment** is a proposal prepared by **CONTRACTOR** which relates to a variation and provides full detail of:
(a) the impact of the proposed variation on **scope**
(b) a detailed schedule for the performance of adjusted **scope**
(c) the effect on the contract price (if any), determined in accordance with the contract
(d) any other information **COMPANY** concludes is necessary for its evaluation

**Variation order** is a written order for a variation that **COMPANY** has authorised.

**Work product** refers to any and all information, reports, data, databases, drawings, computer programs (including source code, object code and documentation), semiconductor topography, mask work, spreadsheets, presentations, analyses, results, conclusions, findings, solutions, calculations, studies, concepts, codes, manuals, inventions, models, designs, prototypes, magnetic data, flow charts, recommendations, working notes, specifications or other information, documents, materials, or **goods** which arises or is made, created, generated or discovered under the contract in connection with **scope**.

**Worksite** describes the lands, waters, and other places on, under, in, or through which **scope** or activities in connection with **scope** are to be performed; the term includes manufacturing, fabrication or storage facilities, offshore installations, floating construction equipment, vessels, offices, workshops, camps or messing facilities – it does not include any lands, waters or other places used during transportation to and from worksites.

Commercial terms and conditions

2 **What we require in relation to scope**

   This contract is non-exclusive and carries no requirement for **COMPANY** to purchase any minimum quantities. **COMPANY** may acquire same or similar scope from other suppliers.

3 **What we require from contractor in relation to goods**

   (a) **CONTRACTOR** guarantees that **goods** supplied in connection with the performance of **scope** will:
   (i) be without fault, defect, or deficiency
   (ii) be new on delivery, unless otherwise specified in the contract
   (iii) be fit for use for any purpose specified in the contract
   (iv) conform strictly with the contract and any specification, drawing, or other description supplied by **COMPANY** to **CONTRACTOR** and agreed to as part of the contract.

   (b) **CONTRACTOR**’s warranty for **goods** applies to all defects arising within 12 months of **COMPANY**’s acceptance of **goods** unless a different period is given in the **scope** description.
   (c) After **COMPANY**’s acceptance of **goods**, the warranties set out in this clause (Clause 3) replace all other warranties expressed or implied by statute, common law, custom, usage or otherwise.
   (d) In any case where International Commercial Terms (Incoterms) are specified, **CONTRACTOR** retains risk of loss of and damage to the **goods** until delivery is complete in accordance with Incoterms, or until the **COMPANY** takes physical possession of the **goods**.
   (e) Ownership of the **goods** will pass to **COMPANY** as soon as either of the following occurs:
   (i) risk of loss of and damage to the **goods** passing to **COMPANY**
   (ii) **COMPANY** makes payment for the **goods**
   (f) **CONTRACTOR** will pack the **goods** so that they may be transported and unloaded safely.
   **CONTRACTOR** agrees that, on delivery, the **goods** will have been accurately described, classified, marked, and labelled in accordance with the contract, all applicable laws and standards of practice.
Terms & conditions for the purchase of goods and services
continued

4 What we require from contractor in relation to services

4.1 Services warranties
(a) CONTRACTOR warrants that all services supplied in connection with the performance of scope will be:
(i) performed in accordance with the contract
(ii) fit for use for any purpose specified in the contract
(iii) free from any defect or deficiency
(b) Unless a different period is specified in the scope description, COMPANY’s warranty for services applies to all defects arising within 12 months of COMPANY’s acceptance of the services.
(c) Following company’s acceptance of services, the warranties set out in this clause (Clause 4) replace all other warranties expressed or implied by statute, common law, custom, usage or otherwise.
(d) COMPANY will supply services diligently, efficiently, and carefully, in a good and professional manner, and in accordance with the contract and all standards of practice. CONTRACTOR will provide all skills, labour, supervision, equipment, goods, materials, supplies, transport and storage required for services.

4.2 Contractor personnel in connection with services
Where COMPANY requires, CONTRACTOR will at its own expense perform security background checks and obtain entry credentials for contractor personnel on company group worksites.

5 Our procedure for invoicing and payment
(a) COMPANY agrees to pay the contract price to CONTRACTOR in the currency specified in the Schedule of Prices, and at the times and in the manner specified in this clause (Clause 5). The contract price is all-inclusive except for value added tax or sales tax.
(b) CONTRACTOR will invoice only after acceptance of scope, unless other arrangements have been agreed in the contract.
(c) COMPANY will pay CONTRACTOR any undisputed amount within the time period specified in the contract after it has received a correct and adequately supported invoice (i.e., it has been filled out correctly and contains all the necessary documentation). It takes COMPANY 2–5 days to establish whether an invoice is adequately supported, and those days are counted as part of the standard payment term of 60 days after an invoice has been received. COMPANY would need to approve any alteration to this standard payment term in advance and in writing.
(d) Payment of an invoice is not:
(i) by itself either an agreed satisfactory conclusion to the obligations of the contractor or a limitation of the rights of the parties in connection with the matter
(ii) acceptance of scope was performed in accordance with the contract

(f) If COMPANY disputes an invoice, COMPANY may withhold payment of any disputed part of an invoice and pay only the undisputed part. COMPANY may also, if notice is first given to CONTRACTOR, deduct from the invoice any liabilities between CONTRACTOR and COMPANY arising out of the contract.

6 Quality assurance
CONTRACTOR must have adequate quality assurance plans or methods in place to support its performance of scope.
Terms & conditions for the purchase of goods and services
continued

7 When a contractor needs access to company systems, information or infrastructure
Access to company group’s information technology or resources (including COMPANY’s infrastructure) in order to perform scope, will require CONTRACTOR to sign and comply with COMPANY’S standard terms and conditions for access and security - unless the parties agreed otherwise in writing.

8 Variations in relation to scope
COMPANY may request, or CONTRACTOR may initiate, a variation assessment. CONTRACTOR is not entitled to a variation for matters that were included in scope, or matters that CONTRACTOR agreed to perform or should take into account in connection with the contract. COMPANY may accept the variation assessment by issuing a variation order, or reject the variation assessment.

9 Inspections, testing and acceptance of scope
(a) To confirm scope complies with the contract, CONTRACTOR will perform all tests and inspections required by the contract, applicable laws and, unless otherwise specified in the contract, standards of practice.
(b) CONTRACTOR will request acceptance of goods upon the completion of the delivery of these goods, or acceptance of services upon the completion of these services. Acceptance has occurred if one of the following takes place:

10 Contractor’s responsibilities if there are defects
If defects in scope are discovered, CONTRACTOR will provide a plan to remedy the defects and will remedy them as quickly as possible.
CONTRACTOR’S guaranties against defects are transferable, and CONTRACTOR will transfer to COMPANY all manufacturers’ guaranties. Where guaranties against defects are not transferable, upon CONTRACTOR’S request, CONTRACTOR will, on behalf of COMPANY or the organisation to which COMPANY transfers responsibility, pursue all guaranties that cannot be transferred. In certain circumstances COMPANY may perform, or have others perform, some or all of the remedial actions, without prejudice to other remedies it may have. This may be when:
(i) emergency situations or other HSSE risks mean that remedial actions need to be carried out immediately
(ii) CONTRACTOR presents a plan which does not provide for a speedy enough completion of warranty work

11 Performance
CONTRACTOR will participate in business performance reviews established by the scope description or, alternatively, by COMPANY’s representative.

12 Taxes
12.1 Contractor taxes
CONTRACTOR will be responsible for payment of all taxes, and any interest, fines or penalties for which contractor group is liable for:
(i) income, capital gains, and wages
(ii) import or export of contractor equipment, or the movement of contractor personnel

12.2 Indirect taxes
CONTRACTOR will add any indirect taxes to the invoice as a separate item, and COMPANY will pay them in addition to the contract price.

12.3 INDIRECT TAXES applicable to SCOPE for Majnoon
(a) The provisions of this subarticle apply to contractor equipment that is imported into Iraq for use for the performance of scope related to Majnoon or exported from Iraq after use for the performance of SCOPE related to Majnoon (”contractor equipment for majnoon”)
Terms & conditions for the purchase of goods and services continued

(b) COMPANY will be responsible for all indirect taxes imposed on contractor equipment for majnoon which is imported for the performance of scope.

c) CONTRACTOR agrees that the rates and prices stated in the CONTRACT do not include customs duties for the import of contractor equipment for majnoon into Iraq, whether they remain in the country temporarily or permanently, or customs duties for export of contractor equipment for majnoon from Iraq.

(d) CONTRACTOR agrees that all temporarily imported goods will be used in Iraq exclusively for scope and will be exported from Iraq on expiry of the temporary import period. CONTRACTOR may only convert temporary imports to permanent imports the conversion is approved in writing by COMPANY and is in compliance with applicable laws.

(e) CONTRACTOR will bear all costs associated with the import or export of contractor equipment for majnoon free of customs duties, including costs associated with administration and documentation, export of temporary imports and surplus goods, managing temporary imports, and extensions of temporary import periods.

(f) If CONTRACTOR is required to pay customs duties for importing or exporting contractor equipment for majnoon after complying with customs rules and procedures to obtain customs duties exemptions for the contractor equipment for majnoon and COMPANY gives its approval in writing that the payment of customs duties is necessary, then COMPANY will reimburse CONTRACTOR for the net amount of the customs duties paid, less any markup fee. If CONTRACTOR does not comply with customs rules or procedures to obtain customs duties exemptions for the contractor equipment for majnoon or does not obtain COMPANY’s written approval for reimbursement, then CONTRACTOR will be liable for all costs associated with the customs duties, including any fines, penalties, and legal fees.

(g) CONTRACTOR will implement a COMPANY approved tracking system for all contractor equipment for majnoon imported free of customs duties into Iraq to ensure that the contractor equipment for majnoon is used solely for the performance of scope.

(h) CONTRACTOR agrees that it has allowed in the rates and prices in the schedule of prices, and in the performance of scope, for compliance with applicable laws relating to the import and export of contractor equipment for majnoon free of customs duties. COMPANY will provide CONTRACTOR with a guide to the customs duty exemption process.

12.4 Withholding

(a) Where required under applicable laws, COMPANY will withhold taxes from amounts payable to CONTRACTOR and pay them over to relevant authorities. The sum of the taxes being withheld is a corresponding discharge of COMPANY’s liability to CONTRACTOR under the contract.

(b) CONTRACTOR will provide copies of any valid exemption certificate it holds, or further information to demonstrate its entitlement to avoid the withholding; COMPANY may then rely on these to apply the exemption.

13. Liens (see section 1 for definition of this term)

CONTRACTOR warrants good and clear title to scope supplied. CONTRACTOR will not permit contractor group to place any liens or claim any liens. CONTRACTOR will immediately notify COMPANY and promptly remove any liens by contractor group.

14. Suspension

(a) COMPANY may suspend performance of all or part of scope for cause [see Clause 15 for explanation of ‘for cause’]. Written notice is required for such suspension, which takes effect immediately pending COMPANY’s decision on whether it has grounds to terminate the contract for cause. If there is suspending for cause, CONTRACTOR will not be entitled to any variation or other compensation.

(b) COMPANY may suspend performance of all or part of scope for convenience at its own discretion with seven days’ prior written notice. CONTRACTOR may seek a variation if actions required by suspension affect the schedule or timing of scope.

(c) COMPANY may at any time withdraw by written notice all or part of a suspension; when this happens, CONTRACTOR will resume performance.

15. Termination

15.1 Termination by company for cause

(a) COMPANY may terminate the contract or part of scope for cause by written notice with immediate effect if:

(i) in the performance of the contract, contractor group breaches its own business principles or, if it has no equivalent principles, then Shell’s Business Principles
Terms & conditions for the purchase of goods and services continued

(ii) **contractor group** violates **anti-corruption laws**, applicable competition laws, **trade control laws**, other **applicable laws** or **HSSE standards**, or causes **COMPANY** to be in violation of those laws or **HSSE standards**

(iii) **contractor group** becomes a **restricted party** or

(iv) **CONTRACTOR** is subject to an **insolvency event**, including where **CONTRACTOR** is an unincorporated joint venture, consortium, or similar entity, in which case an **insolvency event** for one of its members is considered an **insolvency event** for **CONTRACTOR**;

(v) **CONTRACTOR** fails to provide or maintain any security required by the **contract** or a party providing a guarantee or bond under the **contract** is subject to an **insolvency event**;

(vi) if applicable, the cap on **liquidated damages** for delay has been reached;

(vii) **CONTRACTOR** has abandoned or repudiated the **contract**;

(viii) **CONTRACTOR** willfully delays or demonstrates the intention not to continue performance of the **contract**

(b) **COMPANY** may terminate the contract or part of **scope** for cause if **COMPANY** determines **CONTRACTOR** materially breached the contract any other way than those set out in Clause 15.1(a). **COMPANY** will first provide written notice, which may require **CONTRACTOR** to remedy the breach; or **COMPANY** may terminate the contract if **COMPANY** determines the breach cannot be remedied in time, or it is not subsequently remedied.

15.2 Termination by company for convenience

**COMPANY** may terminate the contract or part of **scope** for convenience at its own discretion, as long as it does so with 30 days prior written notice.

15.3 Termination by contractor for cause

(a) **CONTRACTOR** may terminate the contract if **COMPANY** fails to pay an undisputed amount to **CONTRACTOR** that is properly presented, due, payable for more than 60 days and exceeds 5% of the **contract price**. This assumes complete performance of the contract and is subject to:

(i) **CONTRACTOR** giving **COMPANY** written notice specifying the unpaid amount and requiring it to be paid within a further period of 14 days of such notice

(ii) **COMPANY** failing to make the payment or to provide proper grounds for non-payment during the notice period

(b) **CONTRACTOR**’s termination rights do not apply if **COMPANY** exercises a valid right to make a deduction from the invoice.

15.4 Contractor obligations on termination

Upon termination, **CONTRACTOR** will promptly cease performance of terminated **scope**, give access to **scope** in progress, avoid unreasonable interference with others, and take reasonable steps to allow **COMPANY** to complete **scope**. These steps include turning over all documentation for **scope** and **software** which was to be supplied in connection with the contract.

15.5 Compensation in the event of termination

(a) If **COMPANY** terminates the contract or part of **scope** for cause, **COMPANY** will determine and pay the amounts (minus any valid deductions) owed to **CONTRACTOR** for **scope** properly performed in accordance with the contract.

(b) If **COMPANY** terminates the whole of the contract for convenience, or **CONTRACTOR** validly terminates for non-payment, **COMPANY** will also pay reasonable, unavoidable and auditable costs that **COMPANY** has agreed elsewhere in the contract to pay on termination for convenience by **COMPANY**

15.6 Exclusive reasons for termination

The parties waive any right to terminate, rescind or otherwise end the contract on grounds other than those set out in the contract.

16 Liquidated damages

Where any **liquidated damages** are set out in the contract, the following applies:

(i) unless expressly provided otherwise in the **contract**, payment of **liquidated damages** will not relieve **CONTRACTOR** from its obligations to complete **scope** in accordance with the **contract**

(ii) the parties agree that any **liquidated damages** are:

(A) proportionate, having regard to **COMPANY**’s legitimate interest in **CONTRACTOR**’s performance of **scope**; and

(B) Not a penalty.

(iii) If **liquidated damages** are invalid and unenforceable, **COMPANY** may claim demonstrated damages, subject to any limitations that may be set out in the **contract** are genuine pre-estimates of the losses that may be sustained by failure of performance.

**COMPANY** may claim demonstrated general damages in any case where **liquidated damages** are unenforceable.

17 Liabilities and indemnities

(a) Any liability for loss of and damage to property and for **personal injury**, death or disease to any person that arises in connection with the contract will be determined in accordance with **applicable law**.

(b) Neither party will be liable to the other for that other party’s own **consequential loss**, regardless of
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18 Insurance

Before beginning performance, CONTRACTOR will arrange any insurance required by applicable law, and maintain that insurance in effect for as long as the contract lasts. If the obligation to procure insurance and perform other actions in connection with this clause is satisfied, this will not relieve CONTRACTOR of any other obligations or liabilities.

19 Compliance with applicable laws, business principles, and HSSE standards

19.1 Applicable laws

The parties will comply with applicable laws in the performance of the contract and will notify each other of any material breaches.

19.2 Business principles

(a) CONTRACTOR acknowledges that it has actual knowledge of:

(i) the Shell General Business Principles, at shell.com/sgbp, and Shell’s Supplier Principles, at shell.com/suppliers
(ii) Shell’s Code of Conduct, at shell.com/codeofconduct
(iii) Shell’s Global Helpline, at shell.com/globalhelpline

(b) CONTRACTOR agrees that contractor group will, in the performance of this contract, adhere to and notify COMPANY of violations of CONTRACTOR’s business and supplier principles if these are equivalent to COMPANY’s principles contained in the Shell General Business Principles and Shell Supplier Principles. Where CONTRACTOR does not have equivalent principles, COMPANY’s principles will apply.

(c) If contractor group supplies staff that work on behalf of COMPANY or represent COMPANY, CONTRACTOR commits that the staff will behave in a manner that is consistent with the Shell Code of Conduct.

19.3 Anti-bribery and corruption

(e) CONTRACTOR affirms that, in connection with this contract and related matters:

(i) it is knowledgeable about anticorruption and will comply with those laws
(ii) contractor group has not made, offered, authorised or accepted – and will not make, offer, authorise or accept – any payment, gift, promise or other advantage, whether directly or through any other person, to or for the use or benefit of any government official or any other person where that payment, gift, promise or other advantage would comprise a facilitation payment or violate the relevant anticorruption laws.

(b) CONTRACTOR will immediately notify COMPANY if CONTRACTOR receives or becomes aware of any matter that is prohibited by the preceding paragraph.

(c) CONTRACTOR affirms that no person in contractor group is a government official or other person who could assert illegal influence on behalf of COMPANY or its affiliates. If a person in contractor group becomes a government official, CONTRACTOR will promptly notify COMPANY and, should COMPANY request it, remove that individual from performance in connection with scope.

(d) CONTRACTOR will maintain adequate internal controls and procedures to ensure compliance with anticorruption laws. This includes the ability to demonstrate compliance through adequate and accurate recording of transactions in its books and records.

(e) COMPANY will have the right to confirm compliance with anti-corruption laws and record keeping by audit. CONTRACTOR will keep books and records available for audit while the contract is in effect and thereafter for five years after the termination of the contract.

19.4 Export and trade controls

(a) CONTRACTOR will comply with all applicable trade control laws and will provide COMPANY with necessary data to comply with trade control laws.

(b) CONTRACTOR will ensure that, except with the prior written consent of COMPANY:

(i) company provided items are not exported, provided or made available to any restricted jurisdiction or restricted parties

(ii) contractor personnel with access to COMPANY group’s technical information, information technology resources (including company group’s infrastructure) or company group worksites are not restricted parties or nationals of a restricted jurisdiction

(iii) CONTRACTOR will not use subcontractors that are restricted parties

(iv) CONTRACTOR will not source any of the goods, software or technology in scope to be delivered or supplied to COMPANY under this contract, directly or indirectly, from restricted parties or a restricted jurisdiction
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19.5 Personal data protection
(a) The parties may provide each other with personal data in the course of the performance of this contract. The processing and transfer of such data will be done in accordance with applicable data protection law, and this contract. For the avoidance of doubt CONTRACTOR may not process, sell, retain, use or disclose the personal data for any purpose other than for the specific purpose of performing the scope specified in this contract or as required or permitted by applicable data protection law. CONTRACTOR certifies that they understand this condition and will comply with it. Each party is a ‘data controller’ as defined in applicable data protection law in respect of the personal data.
(b) Personal data processed by COMPANY is governed by the terms of the Privacy Notice - Business Customer, Supplier, Partner or Investors, available at https://www.shell.com/privacy/b2b-notice.html and from the relevant Shell website in each location.

19.6 Health, safety, security, and environment (HSSE)
In performing scope at company group worksites, or other location if specified in the HSSE standards, CONTRACTOR will and ensure that contractor group will, at all times:
(i) pursue Shell’s HSSE principle of Goal Zero
(ii) comply with IOGP 459 Life Saving Rules, available at iogp.org/lifesavingrules/
(iii) comply with other applicable HSSE standards

9.7 Local Content
CONTRACTOR must maximise the use of local labour, services, and facilities in connection with the performance of scope to the extent possible considering commercial, technical, and legal requirements under the contract and requirements under applicable laws.

CONTRACTOR will ensure that other members of contractor group employ local labour, services, and facilities under the same conditions.

9.8 Visa Process
(a) Although COMPANY may assist CONTRACTOR with the entry visa process, CONTRACTOR is responsible for knowing and complying with all applicable laws related to entry visas for staying in, working in, or leaving Iraq. CONTRACTOR will commence the procedures in a timely manner to obtain visas, permits, and related approvals in order to timely complete the performance of scope. CONTRACTOR will ensure that contractor personnel who are no longer required for performance of scope leave Iraq without undue delay and take all legally required steps to do so.
(b) If contractor personnel require entry visas to perform any part of scope, CONTRACTOR must promptly notify COMPANY in writing and supply COMPANY with the application for an Iraqi entry visa in the form and the manner required by applicable laws and as advised by COMPANY.
(c) CONTRACTOR will be responsible for preparing and providing COMPANY a complete and correct visa application, any supporting documentation, and any translations required by applicable laws. COMPANY will be responsible for receiving and filing the application, as provided by CONTRACTOR without any modifications, with the relevant governmental authorities in Iraq.
(d) COMPANY reserves the right to decline to process documents related to entry visas if information in the documents is incorrect or incomplete; if COMPANY determines the processing time needed will be insufficient considering the parties contractual obligations; or if the nature of the work covered under a visa application may be sourced from the local Iraqi labour force.
(e) CONTRACTOR will be responsible for all costs related to visa applications, including visa fees, travel, translation charges, and accommodations, unless expressly specified otherwise in the contract.
(f) CONTRACTOR will be responsible for any rejection or delay of an entry visa application by Iraqi authorities. CONTRACTOR will indemnify COMPANY for all liabilities incurred by COMPANY because of the rejection or delay of an entry visa.

(g) The parties hereby agree that the visa application procedures and requirements that COMPANY provides to CONTRACTOR are for informational purposes only and that CONTRACTOR is responsible for knowing or learning of relevant changes to applicable laws. The parties agree that if applicable laws no longer require COMPANY to process entry visas for contractor personnel, CONTRACTOR will promptly assume the obligation to process entry visas for contractor personnel.

9.9 License for CONTRACTOR provided Accommodation
(a) This sub-article will apply to the performance of scope to the extent that any part of scope will be performed in the United Arab Emirates.
(b) CONTRACTOR hereby authorises COMPANY, and COMPANY’s employees and invitees, to use the parts of CONTRACTOR’s office facilities and buildings that CONTRACTOR may require as expressed in the contract to use its facilities does not confer on COMPANY the right to exclusive occupation of those facilities.
(c) The licence granted by CONTRACTOR to COMPANY to use COMPANY’s facilities may only be used in relation to the performance of scope. With prior written approval from CONTRACTOR, COMPANY may assign any benefits of this licence to its co-venturers or affiliates, so long as the co-venturers or affiliates enter into a direct covenant with CONTRACTOR to observe and perform the...
20 Confidential information

20.1 Obligations in connection with confidential information

(a) CONTRACTOR will not disclose company group’s confidential information to any third party without the prior written consent of COMPANY, and will also use company group’s confidential information only in connection with performance of the contract.

(b) Information that CONTRACTOR can prove, (i) when disclosing it, is either in the public domain or, in the possession of CONTRACTOR without binder of secrecy, or developed independently of COMPANY’s confidential information is not confidential information. CONTRACTOR’s obligations regarding confidential information will cease if CONTRACTOR can prove that the information had become part of the public knowledge through no fault of contractor group or is subsequently disclosed to CONTRACTOR without an obligation of confidentiality by athird party who has the legal right to do so.

(c) After expiration or termination of the contract, or on COMPANY’s request, CONTRACTOR will promptly return or destroy any confidential information and delete it from electronic storage, and delete or destroy all extracts or analyses that reflect any confidential information.

20.2 Contractor information

Contractor group will not provide company group with any proprietary information.

Company group will not have an obligation not to disclose or use information provided by contractor group except where the obligation is expressly stated elsewhere in the contract or through a separate agreement.

20.3 External communications

CONTRACTOR will not broadcast or publish any external communications related to the contract.

20.4 Mandatory Disclosures

If CONTRACTOR is required by any court, judicial, governmental, or regulatory body, or otherwise under applicable laws, to disclose any confidential information, CONTRACTOR, to the extent lawful to do so, shall: (a) promptly notify COMPANY of such disclosure requirement to allow COMPANY or a member of company group to oppose the requirement or to seek a protective order and/or take any other action to protect such information; (b) reasonably cooperate, if requested by COMPANY or a member of company group in taking any of these actions at the COMPANY’s or member of company group’s reasonable cost and expense; (c) disclose only that portion of such information as CONTRACTOR is legally required to disclose; and (d) use reasonable endeavours to ensure that confidential treatment is given to such information.

21 Intellectual property

(a) Except for IP rights vested with CONTRACTOR as provided below, all right, title, and interest in and to work product hereby vests in COMPANY or its designee upon the generation, creation and/or discovery thereof, and shall be COMPANY’s IP rights. In addition, all IP rights generated, created or discovered hereunder that use or are an improvement to company group’s IP rights, or are generated, created or
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discovered using, or are an improvement to, confidential information, hereby vests in COMPANY or its designee upon the generation, creation and/or discovery thereof, and shall be COMPANY’s IP rights. CONTRACTOR will execute, and will cause contractor group to execute documents, and take all other steps as may reasonably be necessary to document the ownership of COMPANY or its nominee in the IP rights to allow COMPANY to secure, protect, and enforce those rights for the benefit and full use by company group. CONTRACTOR irrevocably waives, and will cause contractor group to irrevocably waive, any moral or similar, non-transferable rights that any persons in contractor group may have in IP rights vesting in COMPANY under this sub-article. All right, title, and interest in and to work product generated, created or discovered by CONTRACTOR in the performance of scope that are an improvement to CONTRACTOR’s IP rights hereby vests in CONTRACTOR or its designee upon the generation, creation and/or discovery thereof, and shall be CONTRACTOR’s IP rights and shall not be subject to the obligations of secrecy and restricted use set forth in the confidentiality provisions herein.

(b) CONTRACTOR, warranting that it is entitled to do so, grants to company group an irrevocable, non-exclusive, perpetual, worldwide, royalty-free right and licence, with the right to transfer, assign or grant sub-licences in any of CONTRACTOR’s IP rights embodied in any work product, to use, have used, make, have made, sell, have sold, operate, have operated, possess, have possessed, import, have imported, export, have exported, copy, have copied, distribute, have distributed, modify, have modified, create derivative works of, have derivative works created of, improve, have improved, repair, have repaired, maintain, have maintained any work product.

CONTRACTOR warrants that the sale, license, use or distribution by any member of company group of any work product or any other materials made available to company group by CONTRACTOR in connection with scope will not infringe or misappropriate the IP rights of any third party.

(c) CONTRACTOR will indemnify company group, assignees, transferees, and sublicensees permitted by this contract for any losses resulting from any claim that: (i) the contractor group’s provision of scope; (ii) any work product provided to company group or (iii) the use of such work product by any member of company group, infringes or misappropriates the IP rights of any third party.

22 Financial and performance audit

(a) COMPANY will have the right to audit:

(i) invoiced charges and proper invoicing

(ii) other books and records

(iii) the performance of any other of CONTRACTOR’s obligations under the contract, where it is possible for these to be verified by audit

(b) Within 45 days of any audit finding, the parties will settle any amounts charged incorrectly, and CONTRACTOR will provide or re-perform any scope that the audit identifies as needing to be done.

(c) CONTRACTOR will keep books and records available for audit for whichever is the longer of the following periods:

(i) five years following termination of the contract or any longer period as required by applicable laws

(ii) two years after the period expires on any obligation of CONTRACTOR to perform or re-perform any scope

(d) CONTRACTOR will comply with any requirement in the contract for relevant books and records to be retained for a longer period, in order to comply with anti-corruption laws.

23 Relationship of the parties

23.1 Independent contractor

CONTRACTOR is an independent CONTRACTOR in all aspects of performance under the contract. CONTRACTOR is responsible for the method and manner of performance to achieve the results required by the contract.

23.2 No business relationship

(a) The contract and its performance do not create a partnership or joint venture, and neither does the contract appoint either party to it as agent of the other. The contract does not permit CONTRACTOR to make any commitment on behalf of company group.
Terms & conditions for the purchase of goods and services continued

(b) CONTRACTOR and contractor personnel are not to be considered employees of company group and are not eligible to participate in any of company group’s employee benefit plans.

24 Contractor personnel and subcontracting

24.1 Responsibility
CONTRACTOR is responsible for any scope performed by any subcontractor and all contractor personnel; all activities, omissions and defaults are to be treated as if they were the activities, omissions or defaults of CONTRACTOR.

24.2 Condition to subcontract and formation and content of subcontracts
CONTRACTOR may not subcontract any part of its obligations under the contract except as agreed in writing by COMPANY and CONTRACTOR will ensure that subcontracts are in all material respects consistent with the terms and conditions of the contract.

26 Force majeure

(a) If a force majeure event prevents performance of part or all of the contract, COMPANY and CONTRACTOR are each excused from performance of the affected part of the contract, unless it was (i) the fault of the party that contributed to the event or unless reasonable care and attention on the part of the party could have avoided or mitigated the circumstances that caused the event or (ii) relates to an inability to make payments of money or secure funds; or (iii) relates to security or political conditions in the Republic of Iraq which existed at the time the contract was signed.

(b) Only the following are force majeure events:
(i) riots, wars, blockades, or threats or acts of sabotage or terrorism
(ii) earthquakes, floods, fires, named hurricanes or cyclones, tidal waves or tornadoes
(iii) radioactive contamination, epidemics, pandemics, maritime or aviation disasters
(iv) strikes or labour disputes at a national or regional level or involving labour not forming part of contractor group or company group, which materially makes the party claiming force majeure less able to perform the contract
(v) government sanctions, embargoes, mandates or laws that prevent performance
(vi) inability of a party to obtain, in time, licences, permits or the necessary consent of authorities for performance, unless there is an express provision otherwise in the contract
(vii) non-performance of a party’s subcontractor where the subcontractor has been or is affected by one of the above force majeure events – performance will only be excused under this subparagraph, however, if the parties to the contract agree that in the circumstances it is impracticable to substitute performance by another subcontractor
(c) If a party’s performance is delayed or prevented, they will notify the other party and use reasonable endeavours to mitigate the effects of any force majeure event
(d) COMPANY may terminate the contract or part of scope if any force majeure event results in a delay of more than 90 consecutive or 180 cumulative days.
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27 Notices
All notices or other communications under the contract must be in English and in writing, and delivered in one of these four ways:
(i) by hand
(ii) sent by prepaid courier
(iii) sent by registered post
(iv) sent by email with a request for confirmation of receipt
Notices and communications are effective when actually delivered at the address specified in the contract.

28 Governing law, dispute resolution and remedies

28.1 Governing law
This contract, and any dispute or claim arising out of or in connection with this contract – or its subject matter or formation, including any non-contractual disputes or claims – will be exclusively governed by and construed in accordance with the laws of England and Wales excluding conflict of law rules and choice of law principles that provide otherwise. The United Nations Convention on the International Sale of Goods will not apply to this contract.

28.2 Dispute resolution
(a) Any dispute or claim arising out of or in connection with the contract or its subject matter or formation will be finally and exclusively resolved by arbitration by Dubai International Financial Centre-London Court of International Arbitration (“DIFC-LCIA”) under its then current commercial arbitration rules. This shall apply whether the dispute or claim is in tort, contract, under statute or otherwise, including any question regarding the contract’s existence, validity, interpretation, breach or termination, and including any non-contractual claim.
(b) The arbitral tribunal, to be appointed in accordance with the arbitration rules, will consist of one arbitrator. If either party asserts that the amount in controversy is more than USD $5 million, however, then the tribunal will consist of three arbitrators.
(c) The seat of the arbitration will be Dubai, United Arab Emirates.
(d) The language of the arbitration will be English.
(e) Nothing in Clause 28 will be understood as preventing any party from seeking conservatory or similar interim relief (where conservatory means aimed at preserving a state of affairs) from any court with competent jurisdiction. The arbitral tribunal will make awards in writing and any such award will be final and binding on the parties. The parties will carry out the award without delay. Judgement upon any award or order may be entered in any court having jurisdiction. All aspects of the arbitration will be considered confidential.

29 Additional legal provisions
(a) The parties retain their rights and remedies under applicable laws subject to any provisions in the contract that provide otherwise.
(b) A provision of the contract may be waived only if made in writing by an authorised representative of the waiving party.
(c) Provisions that state that they survive, or by their nature are intended to survive, completion of performance or termination of the contract do so, along with all remedies attached to them.
(d) For amendments to the contract to be binding, they must be made in writing and signed by the parties’ authorised representatives.

(a) Contractor group or company group and other contractors who are not a party to the CONTRACT, but who have benefits conferred on them by it, are entitled by virtue of the Contracts [Rights of Third Parties] Act 1999 to enforce those benefits. Otherwise, no term of this contract will be enforceable by virtue of the Act by any person who is not a party to the contract. The parties may amend or terminate the contract without notice to or the consent of any person not a party, but conferred benefits, even if rights to enforce a benefit conferred by the contract may be varied or extinguished.

(f) The contract constitutes the whole and only agreement between COMPANY and CONTRACTOR relating to its scope and supersedes and extinguishes any other agreement, document, or pre-contractual statement relating to the same subject matter. Except in the case of fraud, a party will have no right of action against any other party arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in the contract. For the purposes of this clause, “pre-contractual statement” includes any agreement, undertaking, representation, warranty, promise, assurance, arrangement, or draft of any nature whatsoever, whether or not in writing, relating to the subject matter of the contract, and which is not repeated in the contract, made by any individual at any time before the date of the contract. Any confidentiality agreement pertaining to the subject matter will remain in effect according to its terms, unless the contract provides that it is terminated or replaced.