



BCOMS

شركة مكونات البناء ذ.م.م.
BUILDING COMPONENT SOLUTIONS (LLC)



Standard Terms & Conditions of Sale

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The following Terms and Conditions of Sale are established by Building component Solutions-LLC(BCOMS), Saudi Arabia, hereinafter referred to in this document as BCOMS, to govern the sale and shipment of Building Envelope products and all related accessories that are manufactured and processed by BCOMS , Saudi Arabia.

1. Placing Orders

Orders are normally placed after BCOMS submits a written proposal (also known as quotation or offer) to its customers. Quotations may be revised until all technical and commercial matters are agreed upon by both the customer and BCOMS.

Once all matters are agreed upon and are included in the final BCOMS proposal, both the customer's authorized representative and BCOMS's authorized representative must sign a standard contract. This standard document is provided with and attached to all proposals.

2. Acceptance of Orders

Orders accompanied by signed and dated contracts are ONLY accepted. Orders are reviewed and determined to be complete with all required information. Accepted orders are entered in a sales register maintained by the Order Management Department while orders that are incomplete are placed on hold until the appropriate corrective action is taken. Customers are informed of the "On Hold" status of their orders by the responsible sales Office.

3. Standard Payment Terms

Following are our Standard payment Terms:

3.1 50% downpayment to be paid upon signing the contract and 50% balance payment to be paid (10) days prior to shipment

OR

3.2 Payment through Letter of Credit

Payment of the full contract price will be made by an irrevocable letter of credit (L/C), confirmed by the negotiating bank in Saudi

Arabia. The period of validity for the L/C is established at the time of contract signing.

The minimum period of validity of the L/C is 30 days for shipment and 51 days for negotiation. For example, if the deadline for shipment is the 1st of January then the L/C will expire on the 22nd of January. For L/Cs issued by Saudi Banks – confirmation is not required.

3.2.1 Correspondent Bank

Customers opening a letter of credit may choose the Saudi correspondent bank as per details shown below. BCOMS account details are also provided for customer's convenience.

The Saudi British Bank (SABB)

P.O.Box 394,
Al Khobar, 31952
Saudi Arabia.
Phone: +96638331553
Fax: + 96638321916
Telex: 801314SABBSJ
Swift code: SABBSARI
Account No: 042-550509-001
IBAN No. SA614 5000000 042 550509 001

3.2.2 Supply CPT Job Site, Overland Shipment (Saudi Arabian Destinations)

Full value of L/C will be paid against presentation of:

Sight draft

Commercial invoice

Packing list

Truck Consignment Note issued by the TRUCKING COMPANY confirming the receipt of material for further delivery to the job site.

Additional Terms:

- a) Partial shipments must be permitted.
- b) The negotiating / advising bank's charges will be applied to the beneficiary's account, while the opening / issuing bank's charges will be applied to the account of the party opening the L/C.

3.2.3 Supply CPT Job Site, Overland Shipment (GCC)

The full value of the L/C will be payable according to the following terms:

Down payment of 25% of the L/C value will be paid upon the receipt of the L/C and against presentation of the beneficiary's (BCOMS Industries) sight draft & commercial invoice to the negotiating bank.

The balance of the value of the L/C will be paid against presentation of the:

Sight draft drawn on the confirming bank.

Commercial invoice

Packinglist.

Truck Consignment Note issued by the TRUCKING COMPANY, confirming the receipt of material for further delivery to the job site.

GCC Certificate of origin (in Arabic) issued by Saudi Arabian Ministry of Commerce and Industry (required for Kuwait and Qatar only).

Additional Terms:

- a) Partial shipments must be permitted.
- b) The negotiating / advising bank's charges will be applied to the beneficiary's account, while the opening / issuing bank's charges will be applied to the account of the party opening the L/C.
- c) The negotiating bank must add its confirmation.
- d) The original documents (the most common of which are the commercial invoice and certificate of origin) are to be hand carried by the truck driver for border customs clearance.

Copies of the same shall be acceptable for negotiation.

3.2.4 Supply CPT Job Site, Overland Shipment (Arab countries other than GCC)

The full value of the L/C will be payable according to the following terms:

Down payment of 25% of the L/C Value will be paid upon the receipt of the L/C and against presentation of the beneficiary's (BCOMS) sight draft & commercial invoice to the negotiating bank. The balance of the value of the L/C will be paid against presentation of the:

Sight draft drawn on the confirming bank

Commercial invoice.

Packing list.

Truck Consignment Note issued by the TRUCKING COMPANY, confirming the receipt of material for further delivery to the job site.

Certificate of origin issued by Saudi Arabian Ministry of Commerce and Industry (As per Arab league format).

Additional Terms:

- a) Partial shipments must be permitted.
 - b) The negotiating / advising bank's charges will be applied to the beneficiary's account, while the opening / issuing bank's charges will be applied to the account of the party opening the L/C.
 - c) The negotiating bank must add its confirmation.
 - d) The original documents (the most common of which are the commercial invoice and certificate of origin) are to be hand carried by the truck driver for border customs clearance.
- Copies of the same shall be acceptable for negotiation.
- e) Documents to be issued in English OR Arabic.

3.2.5 Supply Ex-Works Factory in Dammam

The value of the L/C will be payable according to the following terms:

Down payment of 25% of the value of the L/C will be paid upon the receipt of the L/C and against presentation of the beneficiary's (BCOMS Industries) sight draft & commercial invoice to the negotiating

bank. The balance of the value of the L/C will be paid against presentation of the:

Sight draft drawn on the negotiating bank

Commercial invoice

Packing list

Material dispatch note issued by the beneficiary and countersigned by the truck driver confirming receipt of materials. OR Telex sent by beneficiary to openers of the L/C through the negotiating bank, 7 to 10 days prior to the shipment date, informing the bank that the material is ready for shipment and requesting the bank to make arrangements for custom-er pickup.

In the event that trucks do not arrive on the specified shipping date, the beneficiary may submit copies of invoice, certificate of origin (if applicable), and packing list to the negotiating bank for processing, along with a letter stating that:

"The L/C openers have not provided trucks to collect the material. Material will remain in the beneficiary's custody to be transferred to the L/C openers on the future date".

Additional Terms:

- a) Partial shipment must be permitted.
- b) The negotiating / advising bank's charges will be applied to the beneficiary's account, while the opening / issuing bank's charges will be applied to the account of the party opening the L/C.
- c) The negotiating bank must add its confirmation.
- d) Original documents (the most common of which are the commercial invoice, packing list, and material dispatch note) are to be hand carried by the truck driver and duplicate copies of the same shall be acceptable for negotiation.

3.2.6 Supply CFR Destination Port, Sea Shipment (All Destinations)

The full value of the L/C will be payable according to the following terms:

Down payment of 25% of the L/C value will be paid upon the receipt of the L/C and

against presentation of the beneficiary's (BCOMS Industries) sight draft & commercial invoice to the negotiating bank.

The balance of the value of the L/C will be paid against presentation of the:

Sight draft drawn on negotiating bank

Commercial invoice

Packing list

Bill of lading.

Certificate of origin, in either English or Arabic, issued by the Saudi Arabian Ministry of Commerce and Industry

Additional Terms:

- a) Partial shipments must be permitted.
- b) Transshipment must be allowed.
- c) The negotiating / advising bank's charges will be applied to the beneficiary's account, while the opening / issuing bank's charges will be applied to the account of the party opening the L/C.
- d) The negotiating bank must add its confirmation.

3.2.7 Supply FOB Dammam Port, Sea Shipment (All Destinations)

The value of the L/C will be payable according to the following terms:

Down payment of 25% of the L/C value will be paid upon the receipt of the L/C and against presentation of the beneficiary's (BCOMS Industries) sight draft & commercial invoice to the nego-tiating bank.

The balance of the value of the L/C will be paid against presentation of:

Sight draft drawn on the negotiating bank

Commercial invoice

Packing list

Bill of lading specifying "freight collect"
Certificate of origin, in either English or Arabic, issued by the Saudi Arabian

Ministry of Commerce Trade terms must read as FOB to any Saudi Port.

Additional Terms:

- a) Partial shipments must be permitted.
- b) The negotiating / advising bank's charges will be applied to the beneficiary's account, while the opening / issuing bank's charges will be applied to the account of the party opening the L/C.
- c) Negotiating bank must add its confirmation.
- d) Openers to arrange with the shipping lines to issue bill of lading showing "freight collect".

4. Approval of BCOMS Drawings

- 4.1 When requested by the customer or considered necessary by BCOMS, approval drawings will be prepared to ensure that BCOMS accurately interprets the requirements and specifications of the customer.
- 4.2 Approval drawings for standard buildings are normally submitted within 1-2 weeks of request. Approval drawings for more complex buildings require a longer period of preparation time.
- 4.3 Two (2) sets of approval drawings are provided to the customer. One set must be signed by the customer and returned to the responsible Sales office bearing the notation "Approved As Is" or "Approved As Noted". The second set may be retained by the customer for future reference.
- 4.4 The information presented in the approval drawings is preliminary in nature and is not intended for erection of material under BCOMS scope of supply.
- 4.5 Approval drawings should be returned to BCOMS Sales office / Head Office within 1 week of the customer's date of receipt. A delay in the return of approval drawings may affect the overall project cycle, including delivery of the material to the job site (or port of entry).
- 4.6 The approval of these drawings will be accepted only in the form of the customer's (or his authorized representative's) signature, appearing within the

"Approval" stamp shown on approval drawings. Approval by any other means will not be accepted.

- 4.7 Sets of drawings that are signed and approved in the designated manner will be considered final and binding.
- 4.8 Jobs that have been designated as "Out for Approval" for a period of more than 60 days will be subject to the pricing schedule that is in effect at the time the approval drawings are returned to BCOMS.
- 4.9 BCOMS reserves the right to cancel orders that have been designated as "Out For Approval" for more than 90 days. The customer will be responsible for the ordinary cancellation and engineering costs incurred up to that point in the process.
- 4.10 Comments noted on returned approval drawings, that change the previously agreed upon scope of work, must appear in RED INK and be accompanied by a change order that is duly signed and accepted by the customer.

5. Change Orders

- 5.1 Once a contract is signed and accepted, any subsequent changes to the order require a change order letter, prepared by BCOMS and signed by the customer. This letter will describe the specific change(s) and indicate the impact these changes may have on price and/or delivery of the project. No further action will be taken until the change order has been signed as accepted by the customer.
- 5.2 The cost of any fabricated material that are rendered useless by a change order initiated after the start of fabrication will be charged to the customer's account.

6. Jobs on Hold

- 6.1 A job that is not released for production within 30 days from the date of its entry in the sales register, for whatever reason (including lack of technical clarification), will be put "On Hold". BCOMS reserves the right to adjust the price of such a job according to the price rates that are valid at the time of release from its "On Hold" status.
- 6.2 All costs that are incurred by BCOMS when

a job is placed "On Hold" by the customer, after the start of manufacturing will be charged to the customer's account.

7. Material Dispatch

- 7.1 The material dispatch commitment period is measured, in weeks, from the latest date of receipt and acceptance by BCOMS offices of all of the following job related documents:

Signed contract.

Acceptable letter of credit / final accepted amended L/C.

Final change order including any amendments to L/C price.

Approval drawings, signed and marked as "Approved As Is" or "Approved As Noted", where applicable.

- 7.2 Production and dispatch schedules shall be determined when all of the following are fulfilled:

Receipt of the final "Approved As Is" or "Approved As Noted" approval drawings at BCOMS offices, where applicable (see item 4).

Receipt and acceptance of the final change order, where applicable (see item 7).

Release to production by the BCOMS Finance Department, i.e. financial clearance.

- 7.3 The BCOMS Order Management Department regularly notifies all BCOMS sales Offices of production and dispatch schedules for the jobs entered by each individual office.

8. Erection Drawings

- 8.1 The standard erection drawings package consists of one (1) set sent to the customer, via the responsible sales Office, and one (1) set dispatched with the materials
- 8.2 BCOMS does not accept responsibility for the design and structural stability for the building where our scope is only supply of cladding material & related accessories.

- 8.3 The fixing details of the supplied material should be in accordance with the standard details provided on Erection drawings by Building Component solutions.

- 8.4 All the sealants shall be provided based on the standard details shown on erection drawings, even if it is not supplied by Building Component Solutions.

9. Specification Changes & Material Substitution

BCOMS reserves the right to substitute material equivalent to that originally specified when a standard inventory item is out of stock or when product development improvements make substitution necessary.

10. Supply and Exclusions

- 10.1 BCOMS supplies only materials that are clearly described in its proposal under "Description of Material" and "Standard Supplied Items" or covered by written, accepted and signed Change Orders.
- 10.2 BCOMS does accept responsibility for any other material or service not specified in the final accepted proposal, contract or Change Order.

11. Permits and Fees

- 11.1 It is the customer's sole responsibility to obtain and pay for all building permits, licenses, public assessment, prorated utilities, utility connections, occupancy fees as well as any other fees required by any government authority in connection with the work provided for in the contract.
- 11.2 The customer will provide, at his ex-pense, all plans and specifications re-quired to obtain the building permit, except those plans to be furnished by BCOMS.
- 11.3 It is the customer's responsibility to ensure that all the plans and specifications, including those produced by BCOMS, comply with the applicable requirements of all the governing building authorities.

12. Inspection of Fabricated Materials

Inspection of BCOMS materials at the BCOMS factory by a customer or by his authorized representative, (if required by a specific supply contract) may be arranged by co-ordination of our sales and order management department. Such inspection will be scheduled upon receipt of a written request from the customer. Inspections will be arranged in such a manner so as not to delay production and/or shipment.

In the event that the customer or his representative fails to conduct inspections as scheduled, the applicable goods will be considered "Released by Concession".

13. Material Dispatch Advice

- 13.1 Upon dispatch, BCOMS Shipping Department will advise the responsible BCOMS sales office of the actual dispatch date.
- 13.2 The customer will be notified of the actual dispatch date by the responsible BCOMS sales Office, immediately upon the dispatch of material from the factory.

14. Partial Shipments

- 14.1 On large jobs, it is the standard policy of BCOMS to make partial shipments.
- 14.2 When partial shipments are made, BCOMS will endeavor to ship erectable material that enables the erection process to proceed smoothly.
- 14.3 When partial shipments are requested and accepted by BCOMS, each shipment will be assigned a prorated value of the dispatched materials based upon the accepted terms of payment covering the total job value.

15. Customer Pick-Up Shipments

- 15.1 BCOMS does not permit customer pick-up for overseas shipments.
- 15.2 BCOMS prefers to make all overland shipments by contract carrier; however, the customer may pick-up the material provided approval is received from our General Manager.

- 15.3 The customer must obtain an assigned loading date and time from the BCOMS Order Management Department.
- 15.4 The customer must provide suitable trailers for loading by BCOMS. BCOMS cannot load closed van trailers and trailers with sidings.
- 15.5 The customer's driver must check and sign a receipt for the BCOMS materials. We are not responsible for any claims once the material leaves our factory.
- 15.6 Customers who are not familiar with BCOMS's customer pick-up procedures should request complete information from the responsible BCOMS sales Office.

16. Unloading of Material at Job Site for Overland Shipments

- 16.1 Unloading of trucks at the job site is the sole responsibility of the customer. The customer is expected to provide suitable equipment for unloading the material. If a site is inaccessible or not ready to accept the material, another site for unloading must be provided by the customer.
- 16.2 For sea shipments, all expenses incurred inside the country of import, including but not limited to customs duties, taxes, clearance fees and demurrage charges due to delays in returning the containers to the shipping lines, is the responsibility of the buyer.
- 16.3 The customer is solely responsible for the condition of the job site in terms of the safety of the trucking company driver and the BCOMS material.
- 16.4 The customer is responsible for accurately checking the materials upon arrival and unloading. Any discrepancies must be indicated on the material dispatch note.
- 16.5 A receiving representative of the customer cannot refuse to accept an entire shipment because some portion of that shipment is damaged or missing. Damaged materials must be indicated on the material dispatch note and reported to the responsible BCOMS sales office immediately.

17. Erection of materials

- 17.1 The customer will be solely responsible for the quality of the erection of the BCOMS material. BCOMS assumes no liability for, and the customer will hold BCOMS harmless in connection with any defects in the erection of the material and such defects as roof leaks, damaged sheets, scratched surfaces that are the result of the erection process.
- 17.2 The customer will permit BCOMS's personnel to inspect the erection work at any time during the erection process.

18. Shortage of Materials

- 18.1 Whenever a material consignment is received on site by customer, the dated signature of the customer or his designated representative constitutes a formal acknowledgment of the correct receipt of the consignment as related to both quality and quantity.
- 18.2 It is the sole responsibility of the customer or his representative to check the materials before signing and dating BCOMS's material dispatch note to indicate acceptance.
- 18.3 Claims of shortages are only accepted by BCOMS if received in writing within seven (7) days of the date of the acceptance signature.
- 18.4 If after receipt of such claims, BCOMS "bill of materials" and shipping lists are found to be correct, replacement material will be supplied only upon receipt of written acceptance of the additional ex-works costs and delivery costs from the customer or his representative.
- 18.5 BCOMS is not responsible for any consequential claims or liabilities alleged to arise from losses or shortages.

19. Combined Shipments

BCOMS is occasionally obliged to include a small quantity of material (perhaps a back-order or urgent material request) within a shipment destined for another customer in the same metropolitan area or territory.

All customers stand to benefit from this mutual cooperation.

20. Storage

- 20.1 BCOMS shall store, free of charge in their open yards, any or all the materials for a contract for a period not exceeding 10 days from the scheduled dispatch date.
- 20.2 If a customer delay dispatch of goods for a period exceeding 10 days after the originally scheduled dispatch date, STORAGE CHARGES will be levied by BCOMS, at the rate of 0.1% of the ex-works selling price (of the unshipped material) per day up to a maximum of 10%.
- 20.3 BCOMS shall not be held responsible for damage caused to the exposed material after it has been stored longer than 10 days. Such damage may include deterioration of the exposed material.

21. Warranty

- 21.1 BCOMS warrants the materials it manufactures for a period between 01 to 10 years from the date of material dispatch but depending on the following factors:
- a) Type of material substrate and thickness.
 - b) Type of paint system, paint thickness and paint color.
 - c) Intended use of material
 - d) Environmental condition to which material will be exposed.
- 21.2 This warranty extends only due to defective materials or workmanship, and covers only products that are utilized in the intended manner.
- 21.3 No warranties are expressed or implied other than those described in these Terms and Conditions of Sale.
- 21.4 In the event of breach of warranty, the limit of any claim shall be the correction or replacement of defective materials. Under no circumstances will BCOMS be responsible for consequential damages that are alleged to arise from any such claim of breach of warranty.

22. Force Majeure

BCOMS shall not be held accountable for delays in material dispatch or delivery (after dispatch) resulting from circumstances outside its control, such as strikes, acts of war, revolution, riot or civil disturbance, trade sanctions or restrictions, occurrences of meteorological or geophysical nature, etc., to the extent that these affect transport, communications, manufacturing and/or shipment by BCOMS, its suppliers and its subcontractors.

23. Cancellation of Orders

23.1 In the event that a signed contract is cancelled by a customer, the greater of the following cancellation charges will apply:

- 10% of the total contract amount
- All actual charges incurred by BCOMS (and its subcontractors/suppliers) for the material fabricated up to the time of receipt of the notice of cancellation.

23.2 Cancellation charges are due immediately upon the receipt by BCOMS of the customer's notice of cancellation.

24. Governing Law & Dispute Resolution

24.1 All Agreements shall be governed by, and construed in accordance with the Laws of the Kingdom of Saudi Arabia.

24.2 Any dispute arising hereunder or from or in connection herewith shall be resolved amicably by discussion between the parties hereto, failing which the parties shall submit the matter in dispute to be finally settled pursuant to the Saudi Arbitration Regulations. The arbitration shall take place in Dammam, Saudi Arabia.

No changes in these terms and conditions shall be allowed unless agreed to, in writing, by the General Manager of Buildings Components Division at BCOMS Head Office in Dammam, Saudi Arabia.

RECOMMENDED LETTER OF CREDIT (L/C) OPENING PROCEDURE

Thank you for choosing BCOMS as your materialsupplier. The purpose of this document is to provide you with our recommended procedure for opening a letter of credit (L/C) for BCOMS.

Most letters of credit (L/C) received by BCOMS head office require amendments which delay the processing of jobs. For your convenience, we have drafted a letter for you to use as a guide, when requesting your bank to open a letter of credit for BCOMS.

QUOTE

Dear Sirs,

Kindly open an irrevocable and confirmed Letter of Credit (L/C) favoring:

BUILDING COMPONENT SOLUTIONS(BCOMS)-LLC

P O Box No.14441 Dammam 31424

Kingdom Of Saudi Arabia

For the sum of SR/USD/Euro _____ (Saudi Riyals/ US Dollars/ Euros _____ only) being _____% of the value of **BCOMS's contract proposal no.** _____, **rev. no.** _____, **dated** _____ and advise BCOMS, Dammam, through any prime Saudi Bank with the clear instructions to add their confirmation to the said L/C.

Confirmation charges will be borne by openers of L/C.

L/C should be payable against presentation of the following documents (Please check applicable boxes)

1. **Sight Draft** drawn on negotiating bank.
2. **Invoice** in one original and two copies.
3. **Packing List.**
4. **Certificate of Origin** in English Arabic issued by the Saudi Arabian Ministry of Commerce.
5. **Consignment Note** issued by the trucking company (confirming receipt of material for delivery to opener's job site) marked freight pre-paid (if shipment is on CIF/C&F basis) and made out to the order of the opening bank and notify openers. **Truck Consignment note must not call for showing the carrier's local agent name, address, etc.**
Bill of lading.
6. **Insurance Certificate** covering all road transport risk for 110% of shipment value
Marine Insurance Certificate for 110% of shipment value.

Other Terms:

- a. **WAR RISK** is not covered.
- b. Partial shipment is allowed.
- c. Stale documents are acceptable.
- d. **L/C must be valid for shipment for ninety (30) days from opening date.**
- e. **L/C expiry date shall be twenty one (21) days after L/C shipping date.**
- f. **All L/C opening, amendment and confirmation charges are for opener's account.**

Please arrange to transmit the full text of the L/C by telex, being the operative instrument, to enable the beneficiary to ship our material at an early date and advise the beneficiary through telephone to collect the L/C from the advising bank.

UN-QUOTE

Any other documents called for may delay the fabrication of materials. If the letter of credit is opened according to the above points, it will speed up our delivery to your jobsite by avoiding delays that may result from the necessity of making further amendments to the letter of credit.

We assure you the best of our attention and remain.

Sincerely,

Building Component Solutions-LLC



شركة مكونات البناء ذ.م.م.
BUILDING COMPONENT SOLUTIONS (LLC)

Building Component Solutions(LLC)

P.O.BOX 14441

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