

# INERTIA FZ LLC.

## TERMS AND CONDITIONS



### 1 Terms and Conditions

#### 1.1 Definitions

The defined terms below shall have the following meanings:

- a. "Business Day" means Sunday to Thursday (inclusive of both days) excluding public holidays in the Emirate of Dubai, UAE.
- b. "Commercial Offer" shall mean the document containing the commercial terms for the performance of the Services offered by Inertia to Client.
- c. "Contract Price" shall mean the contract price for the Services set out in the Commercial Offer issued by Inertia to Client, or in such other document as is mutually agreed in writing by Inertia and Client.
- d. "Purchase Order" shall mean the purchase order issued by Client to Inertia, confirming Inertia's instruction to commence performance of the Services in consideration for payment of the Contract Price by Client.
- e. "Technical Offer" shall mean the document provided by Inertia to Client describing Services to be provided by Inertia to Client.
- f. "Services" shall mean the services defined in the Technical Offer, or such other document as is mutually agreed in writing by Inertia and Client, that Inertia is to perform for the Client.

#### 1.2 General

- g. Unless otherwise agreed in writing by the Parties, the contract shall be deemed to be formed by and comprised of the following documents (together the "Contract"), which are ranked in order of priority:
  - Inertia's Commercial Offer
  - Inertia's Technical Offer
  - Inertia's Terms and Conditions
  - Client's Purchase Order
- h. It shall be a condition precedent to the formation of the Contract that a signed and stamped Purchase Order is issued by Client prior to project kick off and counter-signed by Inertia, or that the Parties sign and stamp such other document as they agree should record their agreement to contract.
- i. Purchase Order shall be raised to the following address:  
*Inertia FZ LLC  
Fujairah – Creative Tower  
PO Box 4422  
Fujairah*
- j. Copies of the Purchase Order and all notices and correspondences issued to Inertia shall also be issued in electronic form to the following email address: [contact@inertiame.com](mailto:contact@inertiame.com)
- k. Copies of all notices served by Inertia on Client shall be served on the Client at any address or email address used by Client in communicating with Inertia or such other address as the Parties shall mutually agree.
- l. Notices shall be valid on the date served if served on a Business Day before 3:00pm. Notices served outside these times shall be valid on the next Business Day served.
- m. The contract documents listed in Clause "g" of these Terms and Conditions shall represent the entire agreement between the Parties and no agreement to the contrary shall be valid without the express written consent of Inertia.
- n. No delay or forbearance of a Party in the exercise of its rights under the Contract shall constitute a waiver of those rights.
- o. The Contract shall be subject to the laws of the UAE as applicable in the Dubai International Financial Centre (DIFC) and the Parties agree to the jurisdiction of the DIFC Courts.
- p. Commercial Offer, Purchase Order, Commercial invoice(s) and Payment shall all be in US Dollars.

#### 1.3 Inertia's Obligations

- q. Inertia shall perform the Services in accordance with the Technical Offer, subject to payment of the Contract Price by Client in accordance with the Contract.

#### 1.4 Client's Obligations

- r. Client shall pay the Contract Price in accordance with the Commercial Offer and the Payment Terms set out at Clause "y" to "ee" of these Terms and Conditions.

#### 1.5 Variations

- s. The Parties shall be entitled to vary the Services subject to prior written agreement of both Parties to:
  - The scope of the variation
  - The adjustment to the Contract Price required for the variation
  - The adjustment to the time for performance of the Services required by the variation
- t. Where a variation is agreed in accordance with this Clause "s", Inertia Services shall be limited to the activities described in the Technical Offer.

#### 1.6 Termination

- u. The Contract may be cancelled by Client or Inertia on 30 Business Days written notice.
- v. Where the Contract is terminated by either Party, Client shall pay Inertia the value of the Services performed up to the date at which the termination takes effect together with the cost of any equipment and/or services outsourced or other costs which Inertia has paid, or become liable to pay, before the end of the termination notice period.
- w. In cases involving engineering and/or fabrication and/or supply of spare parts, cancellation of order shall be addressed to Inertia in writing 30 Business Days prior to the delivery date mentioned in the Commercial Offer. The order shall be considered as cancelled only upon written confirmation from Inertia.
- x. Client agrees that it shall indemnify Inertia, without any right to set-off or withhold payment, for:
  - Payment of Inertia's invoices for all Services performed up to the date that termination comes into effect.
  - Payment of any equipment and/or services outsourced by Inertia for the Contract.

#### 1.7 Payment Terms

- y. Unless mentioned otherwise in the Commercial Offer, the standard payment terms shall be 30 calendar days from the date of each Inertia invoice.
- z. Where performance of the Services involves travel outside the Emirate of Dubai, UAE, Inertia shall be entitled to be paid its reasonable travel, accommodation and food and beverage costs, including but not limited to, flight airfare, hotel accommodation, vehicle rental & fuel and visas costs.
  - aa. Rates and prices mentioned in the Commercial Offer do not include taxes such as VAT, import/export tax, withholding tax, custom fee, or any such other fee. If such taxes or fees are or become applicable, these will be payable by Client and added to Inertia invoice at cost.
  - bb. Invoices shall be paid as per the payment plan mentioned in the Commercial Offer. In case of any invoice unpaid past the mentioned payment term, Client shall be charged a late payment fee of 2% per week of the invoiced amount up to a total 10% of invoiced amount unless mutually agreed in writing by both parties.
  - cc. Should Inertia be forced to appoint a debt collection agency in case of unresolved payment issues, the additional cost of such services will be paid by Client at cost +10%.
  - dd. In addition to the termination rights set at Clauses "u" to "x" of these Terms and Conditions, Inertia shall be entitled to terminate this Contract on 3 Business Days written notice if payment of Inertia invoices remains outstanding for more than 50 days after the date of Inertia's Invoice or if Client shall on 3 or more occasions fail to pay Inertia Invoices within the time period stipulated in Clause "y" of these Terms and Conditions. Client shall pay Inertia in accordance with the terms of Clause "u" to "x" in the event of termination in this manner.

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### 1.8 Outsource and subcontract

ee. Inertia and Client agree that Inertia may at Inertia's sole discretion outsource and/or subcontract parts or the whole of the Contract.

ff. In such case, Inertia shall remain liable for its contractual obligation towards the Client.

### 1.9 Engineering Work scopes

gg. The Design Basis Document sets the Client input necessary to perform the engineering works. As such it shall be discussed between Client and Inertia until both Parties agree. The design basis does not include any engineering study output.

hh. Client's agreement over the Design Basis Document is mandatory to proceed with engineering works. In cases where Inertia doesn't receive any response from Client on submitted Design Basis Document, Inertia shall submit the document 3 times after which it shall be automatically considered as approved by Client.

ii. Client's input or agreement over design input through the Design Basis Document shall be considered an integral part of the contract.

jj. Information provided by Inertia through the Design Basis Document and/or further email correspondence, and, explicitly agreed upon or per clause "hh" by Client shall be considered a Client responsibility.

kk. Client shall ensure that any existing structure or mechanism for which Services or engineering works are being provided by Inertia are free of any defects and comply with the requirements of the applicable design, manufacture and maintenance codes, or regulatory or recommended practice codes and standards.

ll. Unless explicitly agreed otherwise, engineering works performed by Inertia before, during or after this Contract (including but not limited to calculation or design works) are the copyright and intellectual property of Inertia. Such information shall be kept confidential.

mm. Any use partial or full, or duplication of Inertia's designs or intellectual property for purposes other than those agreed with Inertia is forbidden, and Client shall indemnify Inertia for any losses, including loss of profit, arising from of any breaches of this Clause "mm".

### 1.10 Site Works

nn. Client shall provide Inertia with 3-4 Business Days' written notice prior to mobilization.

oo. Any suspension of the Services requested by the Client shall be requested in writing and shall take effect only with the written agreement of Inertia. In the event of suspension, rescheduling or delay to the performance of the Services requested by the Client whereas the team is requested to be kept available by client pending new mobilization date, client shall pay Inertia a daily stand-by rate equivalent to 50% the day rate mentioned in the Commercial Offer and shall be charged from and including the date of suspension until the new mobilization date. This applies to both personnel and equipment and shall be enforceable unless mutually agreed in writing by both parties.

pp. Should the performance of the Services or engineering works be delayed due to reasons out of Inertia's control (including but not limited to, rig, plant or equipment being inaccessible, conflicting works scope with Client arranged thirds Parties or Client personnel, weather conditions, outstanding instructions from Client, etc.), such time shall be charged at a daily stand-by rate equivalent to 100% the day rate mentioned in the Commercial Offer and the time for performance of the Services shall be extended on a day for day basis for each day of delay.

qq. Unless mentioned otherwise, Inertia's work scope does not include the supply of any spare parts.

rr. Should Client require any additional hard copy of inspection reports, these shall be charged 100.00USD per hard copy.

ss. Inertia liability shall be limited to 10% of the Contract Price and shall not under any circumstances be liable for indirect or consequential losses including but not limited to loss profit.

### 1.11 Completion of Work

tt. Inertia shall notify Client before the anticipated completion date of the Services and request Client inspection and witnessing/confirmation of the same.

uu. In cases of Site Work, client confirmation of completion of services shall be provided by client representative on the day of demobilization at the latest. Delay in providing such completion certificate will delay the demobilisation of Inertia's crew.

vv. In the event that Client fails to inspect and confirm the completion of the Services in accordance with Clause "uu" above, Inertia shall reiterate its request for inspection in writing. Should Client fail to inspect and certify completion within [2 Business Days] of this second request, the Services shall be deemed to have been inspected and agreed as complete by Client.

### 1.12 Guarantee

ww. Products provided by Inertia are guaranteed for a period of 12 months from date of completion, subject to the Services and any plant or equipment delivered by Inertia having been used and maintained by Client in accordance with Inertia's or the manufacturer's recommendations or applicable codes and standards.

xx. In the case of plant or equipment supplied by other manufacturers, the guarantee shall be limited to the amount that Inertia will be able to recover from the manufacturer of failing products or parts, under the terms of the guarantee between Inertia and the manufacturer.

yy. Inertia's responsibility shall be limited to the free replacement of the part(s) identified as defective, after inspection by Inertia, and shall not include any damage resulting from delays or shortfall, site repair/installation or any other damage of some nature, direct or indirect, caused by such defects in an incidental way or as a consequence.

zz. The possible replacement of a part does not modify or extend the guarantee period of the whole of the Services.