



**REQUEST FOR QUOTATION
FORM**

Document No.

ATS-Tender

Revision No.

00

Date:

15/01/2018

Website: www.addiyats.com

Client closing Date: 10th Feb, 2018

Client Reference: xxx

TO

Addiya Technical Service Ltd.

Plz, send Your offer before: Asap

Quotation validity should be no less than:90 DAYS

METHOD OF DELIVERY	MODE OF SHIPMENT	PAYMENT METHOD	DELIVERY TIME	REPLY METHOD E-MAIL
CIF Tripoli, Libya	Sea Freight/ Air Freight(Whichever Economical)	Will be agreed	----	info@addiyats.com

Item	Tag No. or Equipment/Material Name	Quantity	Sour Service	Description	Delivery	Unit Price "€"	Total Price "€"
1	pipelibe	80 KMS	SACE 0175	36" x 0.375" WT, API 5L X 52, PE, DRL (40 feet) PSL2	Weeks INCO Terms		
2	1 LOT	Export documentation, packing, and marking in accordance with seller's export documentation and packing procedures					
3	1 LOT	Documents and certification in accordance with specification and VDRL 2010					
4	1 LOT	Delivery CIF RAS LANUF or BREGA in accordance with Incoterms 2000 partial shipments permitted					
5	1 LOT	Provision of a training course for 6 company personnel for 21 days each in compliance with the terms and conditions of purchase					
6		Provision of an envisaged 100 attendance nights of buyer staff in compliance with the terms					
7							

3. VENDOR DATA REQUIREMENTS LIST.

Weeks = Submission in weeks after P.O. Placement unless stated otherwise.

Key to Vendor Requirement List.

No. of Prints

Four Prints will be provided by Vendor at each submission

Electronic copies of documents for review may be acceptable in lieu of paper print(s), subject to Company agreement

Before delivery one paper copy and one electronic copy of all documents shall be provided by Vendor

Doc Type Code	Document Description	Critical Document	With Quote	Purchase Order Requirement		
				First Issue	Final Certified (before inspection release)	Items Required in Separate Dossier or Manual
				Weeks	Weeks	
COMMERCIAL						
001	Vendor Document Schedule			2	4	
002	Production Schedule		YES	2		
003	Sub Order Schedule					
004	Weekly/Monthly Progress Report		YES	4		
005	Mill Location and full contact details	YES	YES			
006	Raw Materials - Mill Source	YES	YES			
MANUALS/DOSSIERS						
111	Certification production Dossier			15	1	
112	Index to Certification and Manufacturing Data Dossier			10	1	
QUALITY ASSURANCE/CONTROL						
291	Quality Plan		Typ	3		Dossier
292	Inspection & Test Plan		Typ	5		Dossier
293	Vendor Quality Manual					Dossier
294	Third Party QA Registration Certificate		YES			Dossier
SCHEDULES						
191	Delivery Schedule Part shipments			6	4	Manual
PACKING/STORAGE						
321	Seaworthy Packing Requirements			10		Manual
322	Storage Procedures			10		Manual

323	Handling Procedure, loading/unloading			10		Manual
324	Stacking Procedure			10		Manual
325	Preservation and De-Preservation Procedures			10		Manual
326	Surface Cleaning and clear lacquer application			10		
	CERTIFICATION					
341	Third Party Inspectorate Acceptance/Rejection Notes			1 after test/insp		Dossier
342	Vendor Internal Inspection Reports			1 after test/insp		Dossier
345	Code Certification (API etc)			1 after test/insp		Dossier
346	Ladle Analysis			1 after test/insp		Dossier
347	Maternal Test Certificates			1 after test/insp		Dossier
378	Inspection Release Certificate	VENDOR to include copy of PURCHASER'S signed certificate in dossiers				

7. QUALITY ASSURANCE/CONTROL REQUIREMENTS

1.0 QUALITY SYSTEM

- 1.1 Vendor shall have implemented in their organisation an effective documented Quality System which shall comply with the requirements of the latest edition of ISO 9000 Quality Systems (note Vendor must advise the Company if they have not implemented the latest edition)
- 1.2 To ensure Vendor and their sub-vendors and sub-contractors are able to comply with the relevant part of ISO 9000-2000 the Company or its designated representative reserves the right to audit against this standard

2.0 QUALITY CONTROL

- 2.1 A Quality Plan and Inspection & Test Plans shall be submitted by the Vendor where indicated on the VDRL The Quality Control Plan is to include Quality Control activities to be carried out at all stages which affect the quality of the product
- 2.2 The Quality Control Plan shall clearly define Vendor internal inspection activity and will include provision for initialling Witness and Hold Points by Vendor and Company Inspections

3.0 QUALITY PROGRAMME QA/QC REQUIREMENTS

- 3.1 Manufacturer's Quality Manual or Certificate of Registration to ISO 9000 2000 Quality System shall be provided where indicated on the VDRL.

Purpose:

The Purpose of this specification is to outline the minimum requirements for procurement for pipeline materials

Codes:

API 5L

MTC EN 10204 3.2

ISO 9001

Scope:

This specifications applies to any order placed for the supply of pipeline materials and any subsequent purchase order placed by the us during procurement. No Sub-Contractor are allowed. The supply relates to the following;

Specification	API5L X52 SAW, 0.375 WT
Product Specification	PSL2
Quantity	80 kilometers
Length of individual pieces.	DRL (40 FEET)
Product	Oil
Service	Sour, Nace MR- 0175
Protection	Clear Lacquer Varnish- External
Ends	PE
End Caps	Metal caps at both ends
3rd Party Inspection	MTC EN 10204 3.2
Packing	Per Code
Delivery	CIF Ras Lanuf or Brega
Tagging (stencil on each piece)	36" Pipeline Amal to Ras Lanuf
Shipments	Partial Permitted.
Quality Management	ISO 9001

The Delivery date (From award) is subjected to as penalty of 1% per commencement week of the delayed portion up to a maximum of 5% of the total purchase order value.

Supplier confirms that if the materials are not in accordance with Specifications provided in this request, Supplier will take full responsibility and compensate Addiya T.S accordingly.

Third party inspection will be arranged by End User at any stage and Costs are at End user.

Responsibility:

The Supplier Shall be Responsible for:

- Supply of Material
- Expediting Materials

- Inspection of Materials
- Material Control

Supply;

The Supplier shall not permit any variations to the purchase order scope. For all variations to purchase order the responsible engineer shall update the requisition documentation to reflect the change in scope.

Expediting;

The contractor will progress the PO to ensure timely execution of the P.O. Expediting visits will be made to supplier's facility by company 3rd part inspector to closely monitor production schedules and ensure that supplier's undertakings are being fulfilled and program schedules maintained. End user's Expeditors/engineers will liaise with supplier inspection who shall co-ordinate activities;-

- Production inspections plan
- Documentation
- Materials
- Certification
- Completion
- Next visit

Company shall decide how much expediting is required for the supply this judgment shall be based upon;

- Criticality of required delivery of materials
- Supplier's past performance

The supplier shall produce an expediting strategy for the purchase order which shall be submitted

The supplier shall produce a production plan including all key purchase orders, the supplier shall submit a monthly report to Addiya T.S reporting supplier's progress against this plan.

Inspection

Inspections shall be conducted by End User and by End user's 3rd Party Inspector, in accordance with the requirements of the approved ITP.

Material Control

The supplier shall maintain a materials controls system, the materials controls systems shall

- Record all material required for the purchase order
- Contain the required on-site date
- Maintain status information on the P.O

Commercial Terms & Conditions

PRICING

Seller shall fully itemise and detail his Lump Sum Price breakdown for the 36" Pipeline. This price breakdown shall include all deliverables under this Purchase Order.

Prices as indicated in this Purchase Order are firm for the period of completion of the contract and are not subject to escalation and exclude VAT.

DELIVERY TERMS

Goods to be delivered CIF Ras Lanuf seaport or Brega as per Incoterms LATEST EDITION including packing and transport.

Partial Shipment

Partial shipments shall be allowed with specific approval of BUYER.

Shipments on Deck

Shipments on Deck are not allowed, except when the goods are of a dangerous nature.

See also B1

A) TERMS OF PAYMENT

-Progress payment 25%, 30 days deferred, will be considered against approvals and counter guarantee of the 36" pipeline being delivered at the Vendors Mill.

-Progress payment of 25 %, 30 days deferred, will be considered against the factory acceptance tests approvals and counter guarantee.

-Final progress payment of 45% or respectively 50% will be effected 30 days following presentation of BUYER's third party inspectorate's letter of release following inspection of supply, packing and presentation of ocean going BOL's. Please also refer to A 6 that requires to be complied with to determine the applicable final payment percentage.

No absolute payments will be made before shipment is effected therefore for payments a) & b) a commensurate value banker's letter of guarantee (on demand type) in surety thereof will be submitted together with the respective invoice. The guarantees will be valid up to ocean going BOL issuance (shipment) CFR Ras Lanuf Port and will thereafter be null and void.

The said letters of guarantee will be irrevocable, opened by a first class European or Arabic Bank, and shall be in a form acceptable to BUYER.

PENALTY FOR LATE DELIVERY

Late delivery of SELLER's supply will be subject to a liquidated damages deduction at the rate of 1% of Purchase Order value per complete week of delay, or pro rata thereof, up to a maximum of 5% deduction of Purchase Order value. This liquidated damage deduction may be applied without any requirement on the BUYER to provide documentation of the damage suffered.

SHORTAGES

Shortages as a result of incorrect deliveries by SELLER shall be subject to immediate corrective action by SELLER. Additional packing, documentation, invoicing and delivery costs resulting from such corrective action shall be for SELLER's account.

MODIFICATION OF PURCHASE ORDER

All modifications implying changes in the present terms/conditions of technical and/or commercial nature and/or relating to delivery terms shall only be considered valid when issued in writing, by the BUYER.

INSPECTION REQUIREMENTS

Material/equipment in this purchase order is subject to inspection by BUYER and its nominated Third Party Inspectorate. SELLER is responsible for arranging for and bearing the costs of, all intermediate and final inspection by BUYER and third party with the exception of BUYER's and/or nominated Third Party Inspectorate's costs, which are for account of BUYER.

For technical and on-account payments, BUYER will only assign a reputable Third Party

Inspectorate such as Lloyd's Register, Det Norske Veritas or a similarly recognized Inspectorate

Quality Assurance

SELLER shall be required to have implemented an effective Quality Assurance System in his organization in accordance with the requirements set forth in ISO 9001, 9002 or 9003 and the requirements detailed more fully in the specification package

SELLER shall be responsible for the verification and approval of sub-supplier's Quality Assurance System for compliance with the requirement as set forth above. This verification and approval shall be documented in writing

SELLER's Quality Assurance System documents or those confirmed in writing by BUYER subsequent to the issuance of this purchase order shall form a part of the purchase order

SELLER's sub-suppliers' Quality Assurance System documents formulated specifically for the purchase order and approved by SELLER may be subject to verification and approval by BUYER prior to initiating work

BUYER reserves the right to Quality Assurance Audits in order to verify at any time that SELLER's and its sub-suppliers' Quality Assurance System(s) meet(s) the requirements set forth herein in conforming to ISO 9001, 9002, 9003 as applicable

Disposition of Non-Conformances and Repairs

SELLER shall notify BUYER of any repair or disposition or Non-Conformances found during inspection or tests not witnessed by BUYER's representative in material that will form part of the goods to be delivered against the Purchase Order. This includes any repair or disposition of Non-Conformance in material supplied by sub-suppliers

Any repair by SELLER or its sub-suppliers shall be made in accordance with the rules of the relevant specification(s)

BUYER shall have full access to SELLER's documentation on such dispositions and repairs

PRODUCTION SCHEDULE

Unless otherwise agreed or specified, within four (4) weeks after purchase order award, SELLER shall furnish BUYER with a fully detailed production schedule on a format acceptable to BUYER

SELLER shall update and submit the production schedule every 4 weeks until all shipments have been completed

PRE-PRODUCTION MEETING

SELLER shall arrange a pre-production meeting as soon as feasible after receipt of the purchase order award. At this meeting the following items shall be reviewed:

- Proper understanding of the Purchase Order award basis and specification requirements
- Progress reporting and delivery aspects
- The translation of the Purchase Order requirements into works instructions

- The certification and documentation requirements
- Review of SELLER's quality assurance system
- Hold points for inspection and witness tests and other inspection aspects
- Review of SELLER's production program

SELLER shall notify BUYER in advance and advise

- Place and time of meeting
- Name and positions of people attending
- SELLER's proposed agenda

TAGGING

Each pipe length shall be stenciled with the purchase order number and location.

SECRECY AGREEMENT

SELLER agrees to keep confidential all information relative to this order and further agrees not to disclose same to a third party

STORAGE

If for any reason, COMPANY is unable to accept dispatch of the GOODS at the time when the GOODS are due and ready for dispatch, COMPANY shall so inform SUPPLIER in writing and SUPPLIER shall store at its risks the GOODS in a safe and secure place, and shall take all measures to protect the GOODS from any harm, theft, destruction, deterioration, damage or interference whatsoever during such storage and COMPANY shall be liable to SUPPLIER, if applicable, for that installment of the PURCHASE ORDER Price that would have been paid in accordance with the PURCHASE ORDER had the GOODS been dispatched and for the reasonable justified costs, including insurance of so doing, after a period of grace of one month free storage (unless otherwise specifically provided)

BUYER Project Input - Business Visits

BUYER's personnel will from time to time elect to exercise BUYER's rights to participate in inspections or attend key stage meetings at SELLER'S/suppliers overseas locations SELLER will be obliged to sponsor, support and assist in the visa applications for BUYERS national and international staff as appropriate BUYER places high emphasis on BUYER proper follow up of the project development and SELLER covenants to support this objective in all respects including the provision of the following deliverables

TRACEABILITY LEVEL

Traceability of all pipeline components to the Mill Test Report

FORCE MAJEURE

If either party to this Contract shall be unable, in whole or in part, to fulfill the obligations contemplated by it or to comply with any of the terms thereof by reasons of Force Majeure (Force Majeure is defined as unforeseeable and unavoidable causes and/or circumstances that render the fulfillment of obligations of the affected party impossible), then such party shall be excused from complying with this Contract during the existence of the Force Majeure and for such period of time after cessation thereof as may be reasonably necessary to permit the party to recommence the performance of its obligations hereunder. However, if the circumstances are due to the occurrence of an expected and exceptional conditions and that were impossible to overcome and made it an overburdening the contractor to fulfill his obligations and threatens him of enormous loss, but not considered as the impossibility of implementation, in this case, the company may compensate the contractor with an amount that the company considers enough to rebalance the contract cost to a reasonable extent. If such circumstances continue to exist with an expectation of not to disappearance, it is possible to terminate the contract upon the contractor's request.

In the event of Force Majeure, CONTRACTOR shall not be entitled to any compensation during the suspension of the Contract but shall be entitled to receive remuneration for all works and services performed up to the date of suspension.

SHIPMENT

Partial shipments of materials are allowable. Payment, however, will only be made as stipulated under Terms of Payment, Article A5. No charge will be allowed for packing, shipment or handling. SELLER shall pay for damaged goods resulting from improper packing or marking. An itemized packing list must accompany each shipment. BUYER'S count will be accepted as final and conclusive on shipments not accompanied by SELLER's itemized packing list.

All material received in excess of Purchase Order requirements will be subject to return for credit at SELLER'S expense.

COMPLETE AGREEMENT

This Purchase Order shall become a binding agreement between SELLER and BUYER upon SELLER signing and returning an acceptance copy of this Purchase Order, or upon SELLER otherwise acknowledging acceptance of this Purchase Order, commencing performance of this Purchase Order, whichever occurs first. This Purchase order, together with the specifications and documents referred to herein, and the other documents referred to therein, which by this reference are all made a part hereof, constitute the entire agreement between the parties, and all prior negotiations, proposals, and writings pertaining to this Purchase Order or the subject matter thereof which are not so referenced are hereby superseded. Any reference to SELLER'S quotation, bid, or proposal does not imply acceptance of any term, condition, or instruction contained in such document.

Any invoice, acknowledgement or other communication issued by SELLER in connection with this Purchase Order shall be construed to be for record and accounting purpose only. Any terms and conditions stated in such communications shall not be applicable to this purchase order and shall not be considered to be SELLER'S exceptions to the provisions of this Purchase Order. Trade custom and/or trade usage is superseded by this Purchase Order.

In the event of any ambiguities, express conflicts or discrepancies in the specifications, or other documents that are a part of this Purchase Order, SELLER shall immediately submit the matter to BUYER for its determination and shall comply with the determination of BUYER in such matter.

All headings and numbering in this Purchase Order are for convenience of reference only and shall in no way be used in interpretation of any of the provisions in this Purchase Order.

TITLE

SELLER warrants full and unrestricted title to BUYER for all goods furnished by SELLER under this Purchase Order, free and clear of any and all liens, restrictions, reservations, security interests, and encumbrances.

Title of supply delivered according to CIF Incoterms latest edition by SELLER under this Purchase Order shall pass to BUYER when complete payment by BUYER is effected. Passing of the risk shall occur as per CIF Incoterms latest edition and as defined in the so termed 'Warehouse Clause', Article A5 B, if such warehouse clause is properly invoked.

WARRANTY

SELLER warrants to BUYER and OWNER that all material covered by this Purchase Order is brand new and conforms to specifications and other descriptions supplied or adopted by BUYER and will be new, first class, fit and sufficient for the purposes for which they are intended as evidenced in this Purchase Order and in the specifications referred to herein, of materials free from defects.

These warranties shall extend to BUYER, OWNER, their successors, assigns, customers and the user of their customer's products.

SELLER, at its own expense, (including costs of packing and transportation) shall promptly either repair or replace materials furnished to BUYER which within 24 months after readiness for shipment, which shall fail to conform to the requirements of this Purchase Order. SELLER will at any time be chargeable for repairs made by BUYER to correct such a failure to meet this warranty when SELLER has been given notice of such failure and thereafter has failed to take prompt and effective action to correct the failure in accordance with the foregoing.

INSPECTION AND EXPEDITING

SELLER shall be responsible for the performance of all activities affecting quality and schedule. BUYER reserves the right to review SELLER'S Quality Assurance and Quality Control Procedures.

The materials provided by SELLER under this Purchase Order are subject to inspection, expediting and witnessing of SELLER testing by the BUYER'S representative and/or the OWNER, who shall be granted access to all parts of the SELLER'S plant(s) or SELLER'S sub-supplier's plant(s) engaged in the manufacturing or processing of this Purchase Order. The representatives' inspection and witnessing of testing or lack of inspection or witnessing of testing, or lack of response shall in no way release the SELLER. SELLER shall further ensure that these terms and conditions become a part of its purchase orders to sub-suppliers for all goods or services that are in the products purchased under this Purchase Order.

SELLER will notify BUYER at least five (5) calendar days in advance of the date inspection or test can be made. If for any reason the date should be set back, SELLER shall telephone or telex BUYER immediately.

NOTE THE SELLER SHALL NOT SHIP THE MATERIALS ON THIS PURCHASE ORDER WITHOUT EITHER BUYER'S FINAL INSPECTION RELEASE NOTE OR A WRITTEN WAIVER OF INSPECTION FROM BUYER. VIOLATION OF THIS REQUIREMENT SHALL CONSTITUTE A REJECTION OF THE GOODS WITH SUBSEQUENT COSTS FOR RETURN OR OTHER ACTION AS WARRANTED AGAINST THE ACCOUNT OF THE SELLER. IF BUYER DOES NOT ISSUE FINAL INSPECTION RELEASE NOTE OR A WRITTEN WAIVER OF INSPECTION WITHIN TWO (2) WEEKS AFTER NOTIFICATION TO THE BUYER OF READINESS FOR SHIPMENT OF THE GOODS, THE SELLER SHALL BE ENTITLED TO RECEIVE PAYMENT AGAINST PRESENTATION OF A WAREHOUSE RECEIPT. FOR FULL DETAILS, REFER TO TERMS OF PAYMENT CLAUSE A5.

The BUYER reserves the right not to issue the final inspection release note or intermediate advance on-account payment certificate verification in the event of described technical deficiency being advised to SELLER by a third party inspectorate

Such documentation, as aforesaid, shall be issued no later than seven (7) days after SELLER's notification of date of readiness for final pre-shipment inspection. SELLER will be obliged to proceed with rectification of any validly advised deficiencies related to such inspection

Complete and accurate information is required to maintain the overall schedule. Unless otherwise stated, SELLER shall as a minimum furnish every fourteen (14) days, status of engineering, material procurement, production and shipping information

INDEMNITY

The SELLER shall hold harmless and indemnify the BUYER from any claims, demands or liabilities for injury or death to any person or damage to third party property, arising out or directly caused by the acts or omissions of the SELLER, its officers, agents, or employees

SELLER acknowledges specific payment of ten dollars (\$ 10) incorporated into the purchase price as legal consideration of SELLER'S indemnity under this Article B9 and all other indemnities as may be provided in this Purchase Order

DELAYS

SELLER shall use his best endeavors to deliver the goods in accordance with the delivery dated/period specified in the Purchase Order. SELLER shall promptly notify BUYER of an actual or anticipated delay in delivery and take all reasonable steps to avoid or end delays without additional cost to BUYER. If the SELLER fails to deliver the goods within the prescribed delivery time or any

agreed extensions to same, the penalty prescribed in Section A, Particular Articles, shall apply. Notwithstanding the above, SELLER shall not be liable for delays occasioned due to events unforeseeable and unavoidable beyond the control of SELLER, including, but not limited to war, riots, fire, flood, strikes or other labour difficulties of a like nature, acts of governmental authorities, acts of the BUYER, or freight embargoes

Upon the occurrence of any of the above events, the SELLER shall promptly notify the BUYER in writing specifying in detail the particulars and instance of such events. SELLER shall continue to perform its obligations under the Purchase Order as far as is reasonably possible and shall seek all reasonable alternative means of performance, (without additional costs being levied to BUYER) not prevented by the aforesaid event(s)

ASSIGNMENT

Neither this Purchase Order nor any portion hereof shall be assigned or delegated without BUYER'S prior written consent and any assignment or delegation made without such BUYER's prior consent shall be void

CHANGES

BUYER shall have the right by written direction to make changes in the specifications for goods or covered by this Purchase Order. If SELLER believes that such changes affect the price or delivery date for such goods or services, SELLER shall so notify BUYER in writing (with adequate supporting documentation) within five (5) calendar days after receipt of said written direction. SELLER shall suspend performance of the change unless thereafter released in writing by BUYER to perform said change, and BUYER and SELLER shall mutually agree in writing upon an equitable adjustment in the price and/or delivery date to reflect the effect of such change. SELLER'S request for any adjustments shall be deemed waived unless submitted in writing within such five (5) calendar days after SELLER receives direction to make such changes. SELLER shall not suspend performance of the unaffected portion of this Purchase Order while BUYER and SELLER are in the process of making such changes and any related adjustments or at any time thereafter unless so instructed in writing by BUYER. If released in writing by BUYER, SELLER shall comply with and perform such change in accordance with the terms of this Purchase Order during the time SELLER and BUYER require to mutually agree upon an equitable adjustment.

No substitutions shall be made in this Purchase Order without the prior written authority of BUYER. No agreement or understanding modifying the conditions or terms of this Purchase Order shall be binding upon BUYER unless the agreement or understanding is made in writing.

CANCELLATION FOR DEFAULT

In the event SELLER shall be adjudged bankrupt, make a general assignment for the benefit of creditors, or if a receiver shall be appointed on account of SELLER'S insolvency, or in the event SELLER is in default of any major provision or requirement of this Purchase Order, BUYER may, by written notice to SELLER, without prejudice to any other rights or remedies which BUYER may have, cancel further performance by SELLER under this Purchase Order. In the event of such cancellation, BUYER may complete the performance of this Purchase Order by such means as BUYER selects, and SELLER shall be responsible for any additional costs incurred by BUYER in so doing. SELLER shall deliver or assign to BUYER any work in progress as BUYER may request. Any amounts due to SELLER for goods and services completed by SELLER in full compliance with the terms of this Purchase Order prior to such cancellation shall be subject to set off of BUYER'S additional costs of completing the Purchase Order and other direct and evidenced damages incurred by BUYER as result of SELLER'S default. The contract may not be cancelled unless BUYER has notified SELLER in writing about an alleged default and SELLER has failed to rectify the default within a reasonable time.

TERMINATION FOR CONVENIENCE

BUYER shall have the right to terminate for its convenience further performance of all of this Purchase Order at any time by written notice to SELLER. On the date of such termination stated in the notice, SELLER shall discontinue all work pertaining to this Purchase Order, and shall preserve and protect materials on hand, purchased for or committed to this Purchase Order, work in progress, and completed work both in SELLER'S and in its suppliers' plants pending BUYER'S instructions, and shall dispose of same in accordance with BUYER'S instructions. Termination payment to SELLER or refund to BUYER, if any, shall be promptly and mutually agreed to by BUYER and SELLER. Termination payment shall also consider amounts previously paid to SELLER by BUYER. Apart from the above termination payment SELLER shall not be entitled to any further payment consideration such as loss of prospective profits, contribution to overheads or incidental, consequential or other damages because of such termination.

SELLER shall deliver or assign all goods with all applicable warranties or dispose of goods as directed by BUYER prior to final payment.

LAWS AND REGULATIONS

SELLER warrants that all goods and services supplied pursuant to this Purchase Order will comply with all applicable laws, ordinances and regulations, and further BUYER shall be provided with all permits, certificates and licenses which may be required for the performance of the Purchase Order.

SUSPENSION OF PERFORMANCE

BUYER may at any time, and from time to time, by written notice to SELLER, suspend further performance of all or any portion of this Purchase Order by SELLER. Such suspensions shall not exceed more than one hundred eighty (180) consecutive calendar days each nor aggregate more than two hundred seventy (270) calendar days.

Upon receiving any such notice of suspension, SELLER shall promptly suspend further performance of the Purchase Order to the extent specified, and during the period of such suspension shall properly care for and protect all work in progress and materials, supplies, and equipment SELLER has on hand for performance of the Purchase Order. SELLER shall use its best efforts to utilize its material, labour and equipment in such a manner as to mitigate costs associated with suspension. BUYER may at any time withdraw the suspension as to all or part of the suspended performance by written notice to SELLER specifying the effective date and scope of withdrawal, and SELLER shall, on the specified date of withdrawal, resume diligent performance of the work for which the suspension is withdrawn.

If SELLER believes that any such suspension or withdrawal of suspension justifies modification of the Purchase Order price or time for performance, SELLER shall comply with the provisions set forth in Article B12, entitled CHANGES. In no event shall SELLER be entitled to any loss of prospective profits, consequential or other damages because of such suspension or withdrawals of suspension. Agreed and documented contributions to overheads directly related to suspension and other suspension related direct incidental costs as supported by documentation are allowable cost considerations.

GRATUITIES

BUYER may, by written notice to the SELLER, terminate the right of the SELLER to proceed or continue under this Purchase Order if it is found that gratuities (in the form of entertainment, gifts, or otherwise), were offered or given by the SELLER, or any agent or representative of the SELLER, to any officer or employee of the OWNER or BUYER with a view toward securing this Purchase Order or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performing of this Purchase Order.

In the event this Purchase Order will be terminated as provided in this provision, BUYER shall be entitled to pursue the same remedies against the SELLER as it could pursue in the event of a breach of the Purchase Order by the SELLER.

The rights and remedies of BUYER provided in this or any other article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Purchase Order.

CONFIDENTIAL INFORMATION

The Documents and all other information designated as confidential or proprietary and contents thereof are referred to as "Information". Both parties agree to retain the Information in confidence and not to disclose it to any third party or use such Information for any other purpose, except as authorized by BUYER/SELLER for the performance of this Purchase Order. SELLER shall not publicize the existence or Scope of this Purchase Order without BUYER's written consent. SELLER shall require these same agreements on the part of any sub-suppliers to whom the Information is disclosed. SELLER shall return all Information and copies thereof to BUYER upon written request.

HAZARDOUS MATERIALS

SELLER shall notify BUYER in writing upon receipt of Purchase Order if goods furnished are subject to laws or regulations relating to hazardous or toxic substances; or when disposed of, to regulations governing hazardous wastes, or to any other environmental or safety and health regulations. SELLER shall furnish all appropriate shipping certification and instructions for shipping, safety, handling, exposure, and disposal in a form sufficiently specific to identify all action that the user must take concerning the material. The following certification must be made on the bill of lading: "This is to certify that the above named articles are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to any applicable transportation regulations"

VALIDITY OF PROVISIONS

In the event any Provision, or any part or portion of any Provision of this Purchase Order shall be held to be invalid, void or otherwise unenforceable, such holding shall not affect the remaining part of that Provision or any Provision thereof.

ARBITRATION

All disputes between BUYER and SELLER arising in connection with this Purchase Order shall be finally settled by arbitration in accordance with the rules of conciliation and arbitration of the International Chamber of Commerce by three (3) Arbitrators. Each party shall appoint one (1) Arbitrator and the International Chamber of Commerce shall appoint the third Arbitrator who shall be the Chairman of the Arbitration body. The arbitration shall be conducted in the English language in Geneva, Switzerland, governing law shall be that of England U K.

LIMITATION OF LIABILITY

Notwithstanding anything contained in this contract to the contrary, the SELLER or BUYER shall not be liable for any special indirect or consequential damages or losses such as but not limited to loss of revenue, loss of use, loss of production, cost of capital, lost opportunity, or the cost of replacement to losses described hereto.

Shipping conditions

OBJECTIVES

To define the procedure for the documentation, packing, marking, freight forwarding and shipment of materials and equipment for the above Project.

SCOPE

This procedure applies to all personnel involved in the procurement, expediting and shipping of project materials.

DEFINITIONS AND ABBREVIATIONS

Buyer: (TBA)
Seller: Vendor of the Materials as defined in Purchase Order
CIF Cost, Insurance and Freight as defined in Incoterms 2010

PROCEDURE

Shipping and Freight Forwarding of Project Materials and Equipment shall be carried out in accordance with the following Instructions.

GENERALLY

These instructions cover the Buyer's requirements for the packing, marking, documentation and delivery including shipment to Libya, where applicable, of the Materials

The Seller should note that the Materials, the subject of the Purchase Order, are destined for export and are therefore exempt from Value Added Tax

LICENCES AND CUSTOMS FORMALITIES

The Seller as final exporter shall determine the need for and obtain if necessary any export licence for the export of the Material to Libya. On request Buyer will assist in the provision of an End User Certificate

In accordance with Incoterms the Seller is required to carry out on his own account all necessary customs facilities for the export of the Materials to Libya and shall ensure that the correct customs export documentation accompanies the goods

PACKING

The type and form of packing shall be as specified in the Purchase Order and shall generally be in accordance with the Appendices A and B hereto.

Shipping forward instructions;

For domestic packing the Seller shall be responsible for adequate packing and protection of the Material necessary for safe delivery to the Freight Forwarder or Packing Company.

For export packing the Seller shall be responsible for the packing and protection of the Material suitable for sea or airfreight to the port of destination and onward road transportation over rough terrain and a minimum of six months 'open desert' storage at the job site in Libya. Whilst the Seller is responsible for the adequacy of the packing it shall be fit for purpose in all respects and will be subject to inspection by Buyer. As a general guide Material shall be packed into close jointed boarded softwood cases made from 25mm thick boarding or external grade plywood sheeting on softwood bearers, framing and bracing. Cases shall be lined with polythene or bituminised paper sheeting.

Where the Material is to be containerised it shall be protected against mechanical or contact damage and placed into the container in such a manner as to prevent damage during loading, transportation, storage and unloading.

MARKING INSTRUCTIONS

The following marking shall be stencilled in black figures not less than 2" high in non-washable black on three sides of each package

SHIPPER

PORT OF LOADING

PORT OF DISCHARGE: RAS LANUF LIBYA OR BREGA

CONSIGNEE HAROUGE OIL OPERATIONS

PO NO

CASE NO OF

GROSS WEIGHT: KGS

NET WEIGHT KGS

DIMENSIONS METERS X X

Lifting and slinging points together with the centre of gravity shall be marked on all cases where size renders this necessary

Cases requiring special handling shall be stencilled with the appropriate international symbols

Where material is despatched loose or in bundles or on pallets metal or durable plastic tags with all marks and other details as above shall be securely wired to each packed unit

HAZARDOUS GOODS

Materials of a hazardous or inflammable nature shall be clearly marked in accordance with the accepted national/international warning labels. A Hazardous Goods Declaration shall accompany all such goods in compliance with the national/international requirements for such deliveries eg Trem. Card, DGN, IATA/ICAO Re-Art Certs. A copy of the Declaration including safety data sheets shall be sent to Buyer and/or the Freight Forwarder at least **14 days** prior to Material readiness for despatch.

PACKING LIST

A Packing List is required for each shipment containing the following information

- Vendor
- Purchaser
- Project Title : Amal to Ras Lanuf Replacement Pipeline
- Purchase Order No.
- Item/Tag Nos
- Quantity/Description
- Total No of Packages/Containers
- Gross/Net Weights
- Dimensions
- Shipping Marks

One copy of the Packing List shall be placed in the package and a second copy enclosed in a waterproof envelope shall be securely attached to the outside of the package.

CERTIFICATE OF ORIGIN

The Seller shall provide one original and two copies of the appropriate Certificate of Origin for the goods being supplied. In the UK the certificate shall be that issued by the Seller's local Agent Chamber of Commerce of the Arab-British Chamber of Commerce and certified by the Arab-British Chamber in London. Within the EEC and other countries similar arrangements exist for certification by local Arab National Chamber of Commerce. Unless otherwise instructed the Seller will arrange at his own cost for legalisation of the Certificate and attachments by the Libyan Bureau. The Certificate must be accompanied by a signed original of the shipping invoice and must be completed strictly in accordance with the Arab British or other National Chambers' directions.

The Certificate shall be applied for as soon as the Seller has established the source of all of the Materials and the original must be sent to Buyer not later than **14 days** before the agreed delivery date contained in the Purchase Order.

The original and three signed copies of the following documentation shall be submitted by the Seller to Buyer immediately following issue of the Release Note

Shipping Invoice

Packing List

Test/Material Certificates if applicable

Shipping invoices may be based on financial invoices but shall show the full 100% net value of the shipment, excluding documentation, packing etc , itemised in accordance with the Purchase Order. Prices and extensions must be accurate; invoices and packing lists must agree in all respects. Invoices are to be exclusive of VAT and shall include the correct Customs tariff numbers

The original and all copies of shipping invoices shall be individually signed by the Seller's authorised signatory and endorsed as follows:

"We hereby certify that this invoice is true and correct and the materials invoiced herein were manufactured by (insert full name and address of manufacturer) We further certify that no materials charged herein are of Israeli origin, nor do they have an Israeli content"

FORWARDING AGENTS

Where Buyer has nominated Forwarding Agents the Seller shall render all necessary assistance to the Agents in the execution of their commission The Seller shall provide additional copies of any documents by the Agents if so requested and shall submit a Notice of Readiness together with a copy of the packing list, shipping invoice together with any Hazardous Goods Declaration Materials will not be released or delivered to the Forwarder until the Buyer has issued a Release Note.

SPECIAL INSTRUCTIONS

As soon as the Materials are ready for final inspection and release the Seller shall fax the following information to Buyer

Purchase Order No., number and contents of packages including net/gross weights and dimensions of each package

The full documentation required by para 7 shall then be forwarded to Buyer without delay by first class mail or courier service

CFR/CIF CONSIGNMENTS

The following additional instructions apply to Purchase Orders where terms of delivery are CFR or CIF Libyan port and it is the Seller's responsibility to ensure the materials are despatched to Libya and are insured in transit from ex-works through to port of discharge (CIF terms) by the most efficient method of transport and with the correct documentation

Vessel Classification

Shipments shall be carried by mechanically self-propelled vessels of steel construction built to the highest classification of the following.

Lloyd's Register, ABS, BV, CCS, Germanischer Lloyd, Korean Register of Shipping, Maritime Register of Shipping, NKK, NV, Registro Italiano providing such vessels are:

- (i) not bulk and/or combination carriers over 10 years of age or mineral oil tankers exceeding 50,000 GRT which are over 10 years of age
- (ii) not over 15 years of age, or, if over 15 years of age but not over 30 years of age, have established and maintained a regular pattern of trading on an advertised schedule to load and unload at specified ports

Shipping Line Ocean Bill of Lading/Airway Bill

The Carrier's Ocean Bill of Lading/Airway Bill shall be issued as follows:

Consignee Harouge Oil Operations

Clean shipped on board, Freight pre-paid,
Full set of Shipping Marks including Container Seal number (if applicable)

Shipping Documents

The Seller shall provide the following shipping documents

Bills of Lading/Airway Bill - 2/3 original plus 2 copies
Carrier's Declaration of Age of Vessel – 2 copies
Shipping Invoice - 1 original plus 3 copies
Packing List - 1 original plus 2 copies
Certificate of Origin - 1 original plus 2 copies
Certificate of Insurance – 1 original plus 2 copies
Export Licence (if required) - 2 copies

The Seller shall arrange for 1/3 original Bills of Lading plus an original signed copy of Shipping Invoice, Packing List and Certificate of Insurance to be sent per Ship's/Aircraft Bag and to provide written confirmation of the same.

Special Instructions

As soon as the Materials are ready for final inspection and release the Seller shall fax the following information to Buyer:

Purchase Order No , number and contents of packages including net/gross weights and dimensions of each package, Carrier and Vessel/Aircraft name, Bill of Lading/Airway Bill No. and date, Cargo Insurer and Certificate No , Sea/Air Port of Loading, Port of Discharge and ETA

Prior to shipment a full set of the original signed documents (excepting Bill of Lading) shall be forwarded to Buyer by first class mail or courier service

The full set of Shipping Documents shall be dispatched by first class mail or courier service to arrive at Buyer's Office within **5 days** of the shipping date.

It is the Seller's responsibility to ensure that the Material is despatched to Libya by the correct method of transport and with the correct documentation.

SEAWORTHY PACKING PROCEDURE - SELLER'S OBLIGATIONS AND RESPONSIBILITIES:

SELLER shall be solely responsible for packing and marking of pipe with respect to handling and transport. SELLER shall be fully liable for proper, sufficient and adequate packing, completeness of contents, protection of contents for a storage time of 6 months at SELLER's production site or at Buyer's marshalling location as may be necessary and correct preparation of the packing list. All damage and costs whatsoever resulting from inadequate or insufficient packing shall be fully charged to SELLER.

SELLER is required to submit its seaworthy packing, storage, preservation, transport, handling, loading/unloading and stacking procedures for Buyer's approval.

Packing and conservation of pipes shall be sufficient to protect them from damage during transit from point of delivery and storage at job SITE under conditions which may involve multiple handling, extended storage, exposure to moisture and the possibility of pilferage. The content must withstand 1 year transit conditions without suffering damage and SELLER shall give recommendations for further two-year storage under SITE conditions.

Lifting slings used in direct contact with line pipe shall be wide non-abrasive belts or padded cable loops. Fork lifts utilized to move the pipe shall be properly padded. The pipes shall be raised or lowered using a spreader bar of the appropriate length.

When hooks are used for lifting line pipe, the end hooks shall be designed to prevent end damage and should be lined with soft metal, rubber or plastic. Under no circumstances shall brass hooks be used. The end hooks shall have a length of bearing area which exceeds more than a third of the circumference of the pipe.

SELLER shall handle line pipe in a manner which shall prevent impact loads that can cause local denting or damage to the coating.

SELLER shall ensure that all line pipe joints being lifted have bevel end protectors fitted, and that adequate protection is given to the pipe ends.

SELLER shall take all necessary precautions to ensure that line pipe joints do not come into contact while being moved. Contact could result in denting or out-of-roundness of the line pipe body or pipe ends.

All pipes shall be shipped "nested" with proper approved padding in sufficient quantities to prevent damage to the pipe between layers of pipe.

The Buyer's Representative shall inspect all materials for any visual damage prior to loading and unloading. Any visual damage or indication that the material has been damaged due to in transit shipping of the load shall be noted and brought to the attention of the SELLER prior to the commencement of the handling or transportation operations.

The material shall not be loaded, transported or handled without the express knowledge, concurrence and observation of the BUYER's Representative.

APPENDIX A – PACKING SPECIFICATION GENERAL

OBJECTIVE

The object of this specification is to provide a minimum standard packing so as to ensure all equipment arrives at its destination without damage or deterioration.

Goods must always be positioned and packed so as to utilise the maximum amount of space possible thus preventing any internal movement

All cases and crates will be constructed in accordance with the latest requirements of BS 1133, Section 8.

CATEGORIES OF PACKAGING

Items of equipment of varying fragility have been broken down into a general classification taking into account their characteristics and allocating a suitable category of packaging and protection for each type of equipment.

TYPE OF EQUIPMENT

Equipment of a sensitive nature
Drums – steel

General equipment.
Heavy lifts
Fabricated equipment and vessels
Plastic drums (do not palletise)
Palletised bags
Copper, plastic and GRP pipe work
Steel pipework not exceeding an outside diameter of 15 cms

Steel pipework exceeding an outside diameter of 15 cms
Sheets and angles, etc
Timber and Plywood

Cable drums
Computers, Electronics, Instrumentation,
Flange faces.

STYLE OF PACKING

Special packing
Top and bottom palletisation and steel banded
Close boarded waterproof lined cases
By design with integral lifting lugs
Crates
Crates
Crates.
Crates with solid ends
Suitably banded to avoid distortion Ends to be suitably protected and to be colour coded with the Client's colour code
Loose – Ends to be suitably protected and to be colour coded with the Client's colour code
Suitably banded and pre-slung.
Polythene covered around sides, ends and top then steel banding and pre-slung 8' x 4' wood sheeting sandwich board top and bottom and then pre-slung.
Slatted or crates.
Include desiccant
All flange faces must be suitably protected
Either plastic or wood is acceptable

APPENDIX A – PACKING SPECIFICATION (Contd)

CONTAINERISATION

Where containerisation offers a more effective method of packing and transport, then the degree of packing should be commensurate with the type of materials. Suitable dunnage to prevent movement in the container should be used.

SEA FREIGHT SECTION

Cases

In general, cases should be of external batten, close boarded type construction consisting of a base with sides, ends and top sheathed with good weatherproof boards. Sheathing boards will be of a nominal 25 mm thickness.

Two types of case construction are to be used. As in Fig. 1

- a) A batten end and round type (BER) where one dimension of the case does not exceed 200 cms and the net weight is 1000 kgs or under.
- b) A machine base case (MB) where one dimension is 201 cms or above and the net weight is 1001 kgs or above would incorporate base runners along the length of the case.

Note:

Strengthening of the case bottoms with supplementary planking, commensurate with the case size and the loads upon the case.

The base runners to be commensurate with the loads to be imposed upon them but generally minimum standards are as follows:-

NET WEIGHT	BASE RUNNERS SIZE	EXTERNAL BATTEN SIZE
1,001 – 3,000 kgs	75 x 75mm	25 x 100 mm
3,001 – 5,000 kgs	100 x 100 mm	25 x 100 mm
5,001 – 10,000kgs	100 x 150 mm	50 x 100 mm
10,001 and over	By design	(All above nominal size)

Note:

Base runners ideally should be positioned in relation to the centre of gravity rather than on the edges of the cases.

APPENDIX A – PACKING SPECIFICATION (Contd)

Diagonal bracings are to be used in conjunction with the external battens on all type b) cases.

(i) Lining

A waterproof lining of bituminous paper should be inserted between the internal packing and the sheathing. The base shall be unlined

An internal polythene liner of 0.005 gauge to be fitted under the lid of the case but to overlap the sides and ends by 75 mm.

The polythene to be taut and fixed by staples to the case.

(ii) Internal Packing

All equipment shall, wherever possible, be batted down to the base of the case and in addition shall be suitably blocked out and supported to prevent movement in any direction. If the equipment is of a type that will not allow bolting to the base, then it must be secured in a position with suitable holding down timbers and then blocked out and supported as above. All timbers which come into contact with equipment surface should have a layer of greaseproof paper or other suitable material between themselves and the surface

The internal stretchers (compression beams) at the top of the case shall be constructed from timber of not less than 75 x 50 mm nominal. These shall be spaced at not more than 600 mm centres. All equipment is to be removed from delivery pallets prior to packing unless clearance is received from Buyer

(iii) Preservation

All visible external metal parts of equipment should be sprayed by the Supplier with an anti-rust composition, unless stated otherwise by the Client. It is the Freight Forwarder's responsibility to ensure this has been done or reject if not. It is, however, the responsibility of the manufacturer to preserve all internal parts

(iv) Lifting Plates

On all cases over 5 tonnes metal plates shall be fixed at the lifting points.

(v) Fork Lift Dunnage

All cases shall have dunnage to facilitate handling by forklift truck. The minimum dunnage to be used is 75 x 75 mm.

(vi) Steel Banding

All cases of type a) BER are to be banded over the top and under the base with the banding flush to the top, base and both sides.

APPENDIX A – PACKING SPECIFICATION (Contd)

All cases of type b) MB are to be banded horizontally in at least four positions with banding flush to both sides and ends of the case. An additional strip of banding is to be nailed to the case top and sides at the four corners of the case. Under no circumstances are steel bands to be stretched across two external battens.

Note:

Minimum bandwidth shall be 0.5”, thereafter the gauge/width should be commensurate with the case sizes.

(vii) Special (Foam) Packing

Special packing is to be used for equipment of a sensitive nature i.e. light bulbs, fluorescent tubes, computer equipment, vehicle windscreens, TVs and some electrical equipment, etc.

Clearance to pack by this method shall be agreed by Buyer.

CRATES

Crates of external batten construction consisting of a machine base with sides, ends and top comprising of open sheathing. The maximum gap between boards shall not exceed 20 cms. The size of the base runners and external battens shall be as for cases.

Sheathing boards will be of a nominal 25 mm thickness and a minimum of 100 mm in width.

All equipment shall be adequately secured down to prevent movement as described under 'Cases' heading. All crates over 5000 kgs shall have metal plates fixed at the lifting points. Dunnage shall be fixed to the base of all crates to facilitate handling by fork lift truck.

DRUMS

Standard pallets with 4 transverse beams to be used in conjunction with top pallets of equal specifications. Drums should be positioned so that the distribution of weight is equal. Drums should be strapped (steel) banded horizontally 6” – 9” from the drum top and at the drum bottom. The pallets themselves should then be strap banded bi-directionally. Note: Banding should not go over the top or the bottom slats of the pallet but in between the pallet tier.

MARKING

Cases where the case height is 100 cms or under – the full shipping mark must be added to both sides and top. Where the case is too small for the full shipping mark on both sides and top, the case is to be marked on either side or top and the PO and Requisition Nos. added to the two other faces.

APPENDIX A – PACKING SPECIFICATION (Contd)

Cases where the height is over 100 cms.

As the format in Fig 2

Clear-view crates may be marked using plywood sheets or other adequate support fixed between the members of the crate. Marking may also be done on boards fitted locally for this purpose.

For items not requiring packing, marking may be done directly on to the goods. However, if these do not have a suitable surface for marking purposes, plates may be affixed.

CONTENTS LIST

A contents list showing the contents and shipping specification of each case, crate or container shall be prepared by the Freight Forwarder.

One copy of the list to be packed inside each case, crate or container (i.e. immediately inside the container door).

One copy inside a waterproof envelope to be fastened to the outside of each case and crate and covered by a metal plate. The metal plate must be nailed to the side case sheathing boards and not to the battens.

APPENDIX A – PACKING SPECIFICATION (Contd)

AIR FREIGHT SECTION

The packing of equipment for Air Freight shall fulfil conditions as described in the Sea Freight Section. When packing under the 'Cases' heading, the following exceptions are to be made:

When using type (a) batten end and round case construction the following nominal thickness of timber is to be used on the various net weight.

NET WEIGHT	SHEATHING BOARDS	EXTERNAL BATTENS
0- 25 kgs	16 mm	16 mm
26- 100 kgs	19 mm	19 mm
101- 500 kgs	19 mm	25 mm
501- 1000 kgs	22 mm	25 mm

Vent Holes	Not required
Drainage Holes	Not required
Preservation	Not required
Fork Lift Dunnage	Not required on cases where the gross weight is 25 kgs or less. The battens would then be of the same dimensions.

In addition to the normal marking the Airway Bill label is to be added flat on the case alongside an external batten either on the sides or ends of the case.

PACKING INSPECTION

The packing carried out in accordance with the specification is subject to inspection by Buyer

AGENTS REQUIREMENTS

It remains the responsibility of the Agent to ensure that the standard of packing on each contract is suitable for its intended purpose and to advise Buyer the packing specified is insufficient for the equipment received.

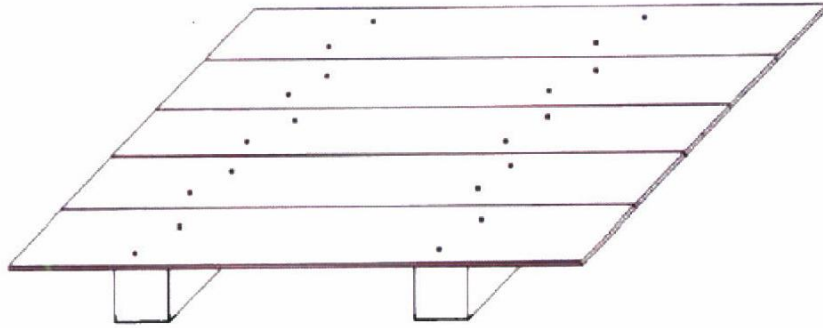
CONTENTS LIST

Procedure as per Sea Freight Section

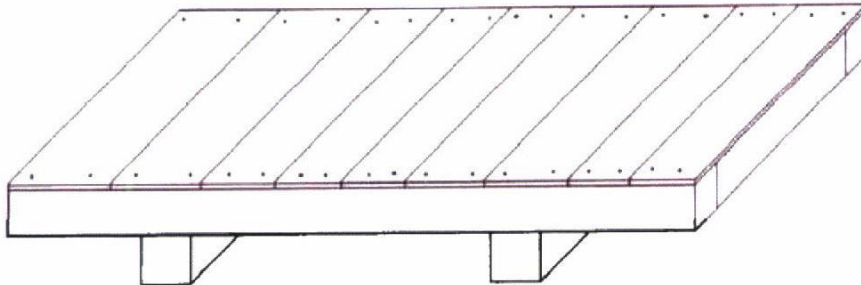
APPENDIX A – PACKING SPECIFICATION (Cont'd)

FIG 1

A)



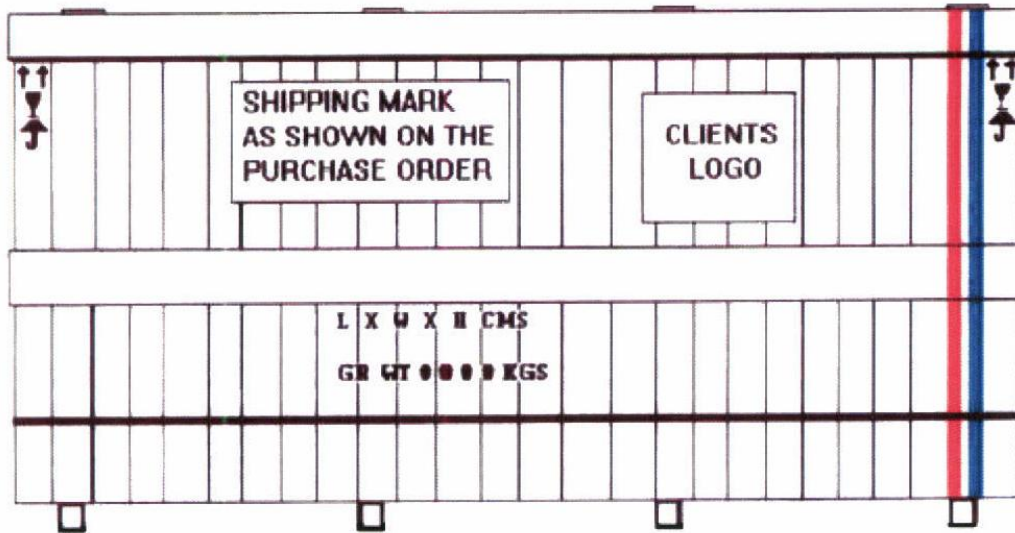
B)



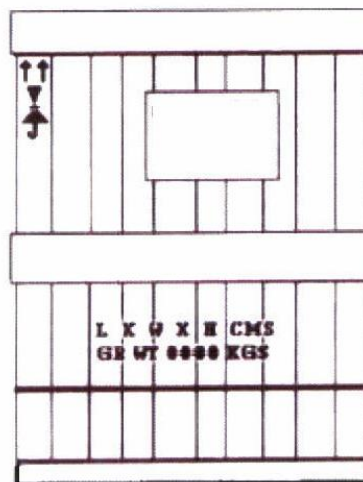
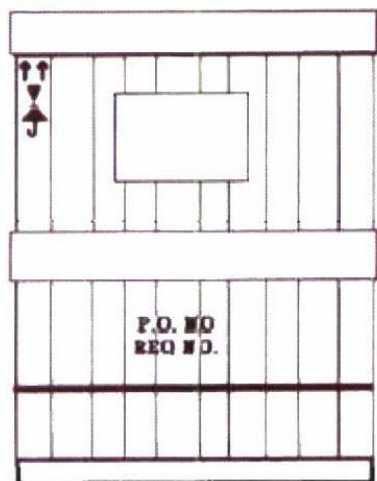
APPENDIX A – PACKING SPECIFICATION (Cont'd)

FIG 2

For Harouge Logo, Seller shall copy and use the image from Front Sheet of this Document.



BOTH SIDES TO BE MARKED AS ABOVE



ENDS TO BE MARKED AS ABOVE

APPENDIX A – PACKING SPECIFICATION (Cont'd)

All cases are to be marked using above format. Marking must be done clearly using ink or any other means resistant to normal weather conditions using stencil or similar. All stencil marks to be legible. No felt tip or crayon marks on the case. Steel bands are not to cover the markings.

No stencil marks on battens if possible. When case contents weights are uneven C of G markings to be added to both sides. Stencil sizes to be in proportion to the size of the case. All cases should be marked with appropriate handling "care" marks (e.g. slinging points, etc.) according to International Standards.

APPENDIX A – PACKING SPECIFICATION (Cont'd)

Palletisation Packing Specifications (45 gallon steel drums)

- | | | |
|----|---------------------------|-------------------------------|
| 1. | Pallet type. | Four way pallet |
| 2. | Pallet dimensions. | 115 x 115 x 15 cms (maximum). |
| 3. | Plywood cover dimensions. | 115 x 115 cms (maximum) |
| 4. | Steel strap banding. | 20 mm gauge width. |

This specification covers the palletisation of 45 gallons steel drums for containerised shipment

Pallets should be preferably new, otherwise of good sound unified quality

Plywood top cover should be of 12 mm gauge thickness.

Steel strap banding of 20 mm gauge.

Loading and securing:

Four drums per pallet seated squarely. (See Figure 1).

Drums must be belly-banded at two points. (See Figure 2)

Strap banding must be wrapped over top plywood sheet and under top deck board area. The banding should be firm and of sufficient tautness to avoid biting into the plywood top cover (See Figure 2a)

Plywood top cover must be seated squarely on top of drums and strapped banded at four points. (See Figure 3)

Strap banding must not be wrapped under the bottom deck boards as this interferes with forklift pick-up points.

APPENDIX A – PACKING SPECIFICATION (Cont'd)

Figure 1

Overview of complete palletisation process.

See Figure 1

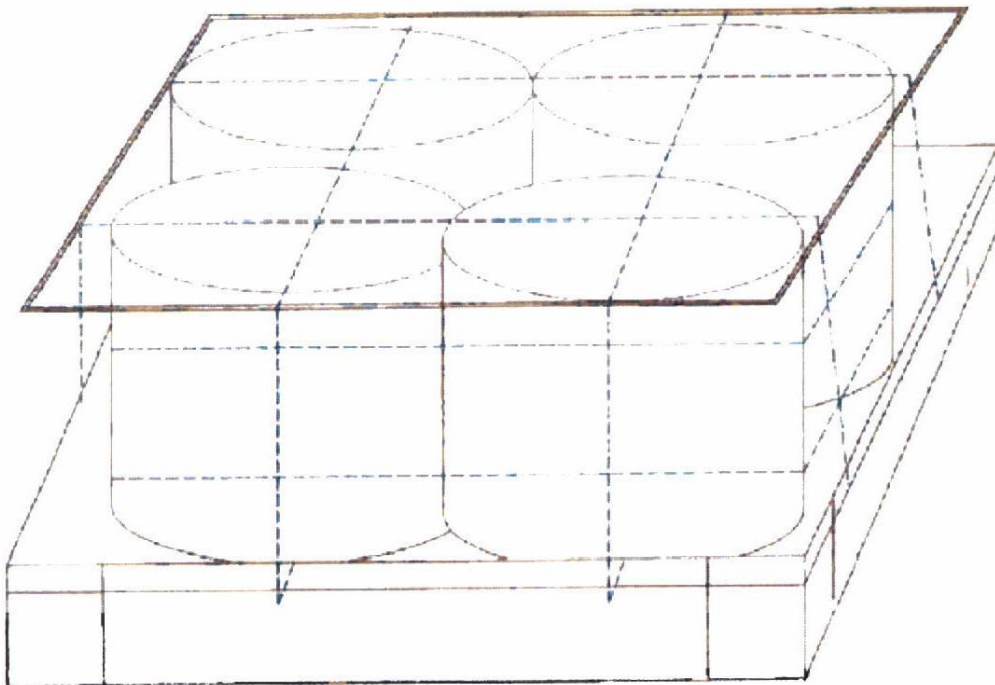
Top board – plywood 12 mm gauge thickness

Pallet dimensions 115 x 115 x 15 cms

Strap banding 20 mm gauge width

Belly banding

Top and bottom banding

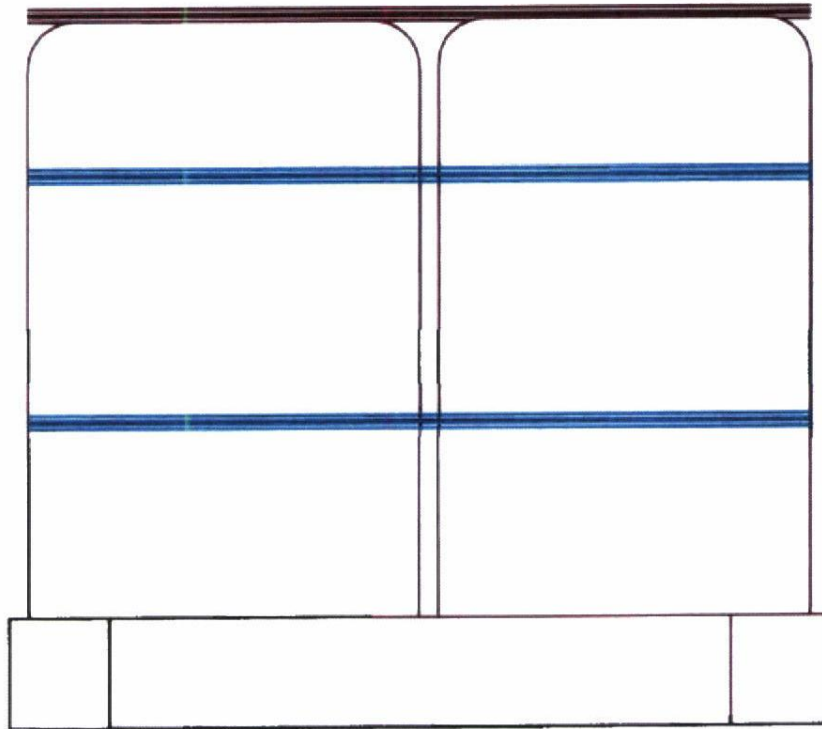


APPENDIX A – PACKING SPECIFICATION (Cont'd)

Figure 2

Belly banding of the drums.

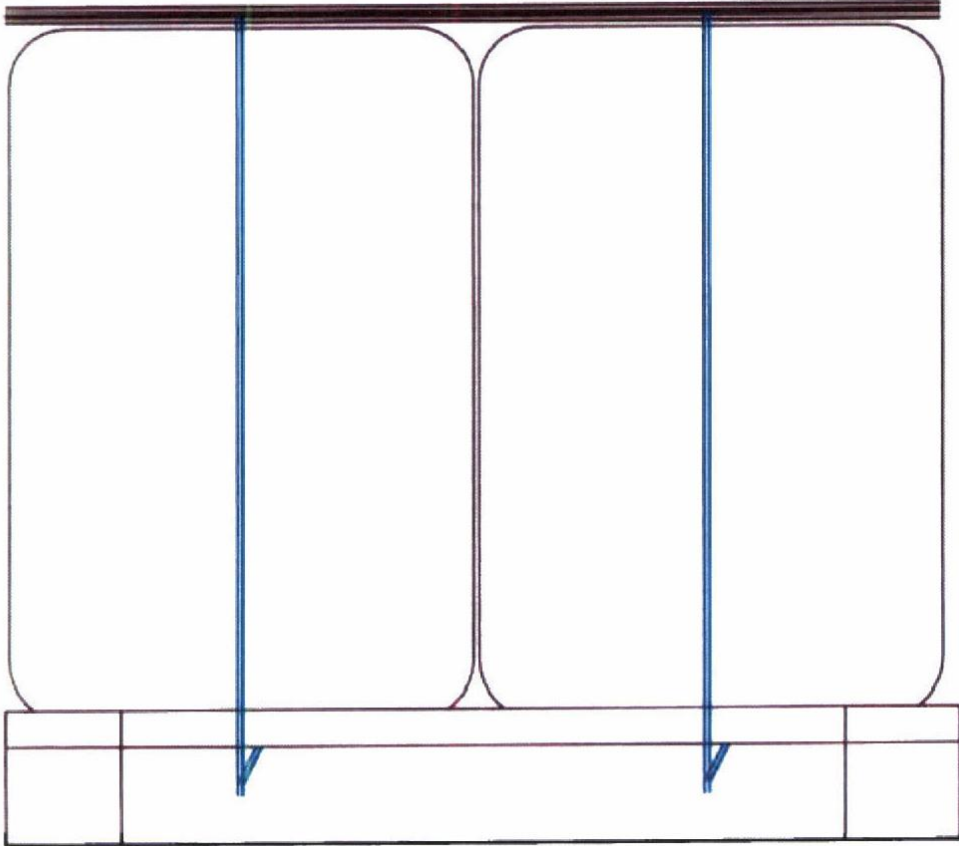
The strap banding must encircle all four (4) drums.
Each strap band should be placed at a minimum distance of eight (8) inches from the top and bottom lips as per illustration.



APPENDIX A – PACKING SPECIFICATION (Cont'd)

Figure 2a

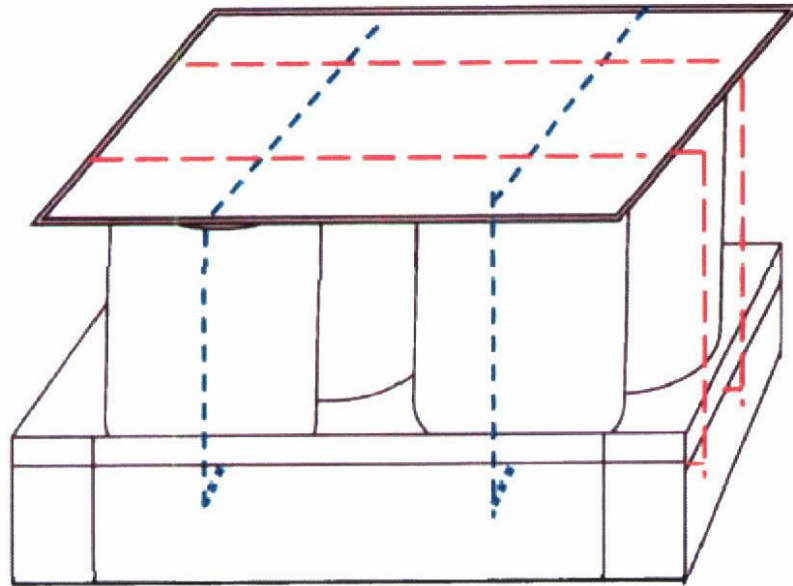
Front elevation of plywood top board procedure.
Strap banding must be firm and sufficient without biting into the plywood top board.
Banding must go over top board and under top deck board of pallet.
Banding must not be wrapped under bottom of pallet base.



APPENDIX A – PACKING SPECIFICATION (Cont'd)

Figure 3

Aerial view of four (4) point banding process.



APPENDIX B – FUMIGATION REQUIREMENTS

PACKING FUMIGATION REQUIREMENTS

FORESTRY COMMISSION PLANT HEALTH SERVICE HANDOUT FELIXSTOWE PORT USERS' MEETING 12TH SEPTEMBER 2001

1. NEW EU REGULATIONS ON WOOD PACKING MATERIAL NOW AGREED FROM CANADA, CHINA, JAPAN AND USA.

The following paragraphs provide details of an initial announcement of the new regulations that will govern the import into the European Communities of all 'susceptible wood' leaving Canada, China, Japan and the USA on or after 1st October 2001

Background

In 1999, Finland, Sweden and France reported the detection of Pine Wood Nematode on wood packing material consigned from Canada, Japan and the USA. Finland took emergency action using powers available under the EC's Plant Health Directive. The Standing Committee on Plant Health decided that the existing measures in the Directive have not proved sufficient to prevent the presence of this pest in packing wood and notified the countries concerned, through the World Trade Organisation, that it intended to enhance its landing requirements. The Committee has been considering the comments received from each of the countries since the consultation period ended last October. At its meeting on 29/30 January, the Standing Committee adopted unanimously a decision that will come into force on 1st October 2001 (Commission Decision 2001/219/EC). Texts of Commission Decisions can be viewed on the EC Website

<http://Europe.eu.int/eur-lex/en/index.html>

What are the new rules?

For susceptible wood originating in Canada, Japan or the USA, it must meet one of the following requirements:

- Heat treatment or kiln drying to a minimum core temperature of 56^oC for at least 30 minutes with a stamp to show where and by whom it was treated.
- Chemical pressure treatment (impregnation) and marked with a stamp to show where and by whom it was treated.
- Fumigation and marked with a stamp to show where and by whom it was treated

In all cases, treatment will need to be carried out at officially approved facilities, to an approved specification and be marked only by authorised persons.

APPENDIX B – FUMIGATION REQUIREMENTS (Contd)

For shipments from China, consignments will need to be accompanied by a phytosanitary certificate, certifying either that the wood has been treated by one of the alternatives in the above paragraph or has come from a region certified as being free of Pine Wood Nematode. However, wood from one of these regions will still need to meet existing requirements to prevent the spread of other listed pests, such as bark beetles and certain wood boring pests. Wood will still have to be free of all bark and grub holes larger than 3 mm across and have a moisture content below 20%.

a. “Susceptible wood”

For the purposes of the new regulations, means wood packing comprised in whole or in part of non-manufactured wood of conifers, except that of western red cedar or eastern yellow cedar (*Thuja L*) originating in Canada, Japan, China and the USA in the form of packing cases, crates, drums and similar packings, pallets, box pallets and other load boards, pallet collars, whether or not actually in use for the transport of goods of all kinds.

b. China

For the purpose of this decision, does not include Hong Kong. However, susceptible wood originating in China and imported into Hong Kong for subsequent use with exports destined to the EU will need to comply

2. INTERNATIONAL STANDARD FOR SOLID WOOD PACKING MATERIAL (SWPM)

For many years we have recognised that packing material and dunnage presents the highest risk of spread of pests and we have been pressing for the development of an international quarantine standard under the auspices of the FAO Interim Commission for Phytosanitary Measures (ISPM). Following the publicity surrounding the establishment of Asian Longhorn Beetle in the USA, further pressures resulted in the formation of a panel of experts (two from each of the 9 Regional Plant Protection Organisations from around the world) to draft such a standard. The Forestry Commission's Head of Plant Health is one of the two delegates representing the EPPO (European & Mediterranean Region). At the last meeting in February, the Panel agreed a final text and this will be submitted to the International Standards Committee in May before being distributed to WTO (World Trade Organisation) countries for consultation before, hopefully, being adopted in April 2002. The Panel's aim was to identify treatments that can be applied to all types of wood, regardless of origin and which can be regarded as effective against a wide range of harmful organisms and which can be verified by physical checks, rather than through documentary requirements.

APPENDIX B – FUMIGATION REQUIREMENTS (Contd)

Only one treatment was identified for classification as a 'general measure' heat treatment to a minimum of 56⁰C for 30 minutes. Other treatments were identified as suitable 'alternative measures' that may be used by prior agreement between importing and exporting countries. Fumigation or debarking were included in this category. Chemical Pressure Impregnation (CPI) was also recognised as a potential general measure but the Panel was unable to uncover any efficacy data to show that CPI is effective at eliminating quarantine pests (insect, nematode and fungi) present at the time of treatment. If such data becomes available then CPI will be promoted to the general category. Until then it will remain listed in the 'other measures' section.

The draft Standard, copies of which are freely available from the Plant Health Service, was circulated among industry for comment last July. A joint FC/Industry Working Group has also been set up to advise on the practicality of the Standard and to consider the best means of implementing it after adoption. Here, as in other countries, there is a ready recognition of the problem and the need to address it.

However, concerns have been expressed at the availability of kiln drying capacity to meet demand.

The Forestry Commission is working with a panel of experts who are drawing up Quarantine Guidelines for SWPM. These will recommend treatments that can be implemented globally to prevent the spread of any one of the many pests that threaten our trees and woodlands. It is likely that the Guidelines will feature the treatments contained in the EC Decision. Once these have been adopted, possibly by May 2002, the European Commission will review its decision and is expected to update it to bring into line with the Guidelines. We are consulting with trade Associations with an interest in this area so that we can take account of their views as this work progresses.

What do you need to do?

We recommend that you make sure that everyone you deal with who might be affected by these changes is made aware of them in good time. The Forestry Commission will be consulting with the trade, HM Customs and Excise and others, to work out how best to implement the new measures with the minimum of interference with trade. We will need to make an amendment to our legislation and this will be announced in due course.

(Source. Extract from Plant Health Newsletter No 14 – issued April 2001).

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