

DETASAD

Detecon Al Saudia Co. Ltd.

ICT Services

Standard Terms of Contract

Tomorrow

Starts Today





Standard Terms of Contract

1 SCOPE OF APPLICATION

The Standard Terms of Contract (STC) apply for all business transactions of Detecon Al Saudia Co. Ltd., P.O. Box 22135, Riyadh 11495, Kingdom of Saudi Arabia (DETASAD) with the Customer. Standard business conditions of the Customer or other third parties do not apply even if DETASAD does not expressly object to them and/or performs its services without objection. Deviations from the STC must be separately agreed on in writing.

2 CHANGES TO THE STANDARD TERMS OF CONTRACT

DETASAD reserves the right to amend these STC or add supplementary terms; in particular if DETASAD introduces new services or if statutory provisions make changes necessary. DETASAD shall inform the Customer about amendments or supplementary terms to the STC. If he does not agree with the changes, he has the right to object in writing within two weeks after their announcement. The objection shall be addressed to: Detecon Al Saudia Co. Ltd., P.O. Box 22135, Riyadh 11495, Kingdom of Saudi Arabia. The contract shall then be continued without the changes. If the Customer does not object, his consent shall be deemed to have been granted after the expiry of the above-mentioned time period. DETASAD shall draw attention to the effect of the failure to make an objection upon the announcement of the change in the STC.

3 NATURE AND SCOPE OF THE SERVICES OF DETASAD

3.1 The nature and scope of the services of DETASAD are indicated in particular in the agreement concluded with the Customer, the performance term sheet, the Service Level and Operation Agreement and the General Installation Conditions.

3.2 The offers of DETASAD are subject to change and subject to the condition that during the individually agreed contract term DETASAD has disposal of the required capacities and of services of third parties which are listed in the offer, obtains any necessary permits, in particular those required by the equipment's country of origin and those required by the export regulations in the Kingdom of Saudi Arabia, if applicable.

3.3 DETASAD has the right to perform partial services and to have services performed by third parties as well as to transfer its rights and obligations under this contract to third parties.

4 GENERAL DUTIES AND OBLIGATIONS OF THE CUSTOMER

4.1 The Customer shall provide all necessary assistance in a timely manner and at its own expense. The Customer agrees in particular

- To treat with care technical components provided by DETASAD until their return, not damage them and to prevent damage by third parties;
- to give notice without delay of defects, damages, faults, the necessity of safety measures or the assertion of rights by third parties - including to parts - in the technical components;
- to inform DETASAD of the requirement of maintenance and repair work, in particular at Customer's premises and to offer to DETASAD to engage it for the performance of such work;
- to reimburse DETASAD for the expenses incurred through an inspection of its equipment after submission of a notice of fault, if the fault is not based on defects in the equipment of DETASAD;
- to make possible the remote maintenance of the services of DETASAD and upon request supply the necessary phone connections in this regard;
- to insure the items included in the service of DETASAD for the duration of its possession thereof against loss, fire, damage, winter damage and ground water intrusion. The Customer shall obtain business interruption insurance with an adequate coverage amount for the entire contract term to cover any damage.

4.2 The Customer may allow (joint) use of the services of DETASAD only after prior written consent.

4.3 The Customer has the duty to regularly back up his data stock with the care of a reasonable business person. The data backups shall be stored such that a reconstruction of the backed up data can be made at any time.

5 DUTIES OF THE CUSTOMER WITH RESPECT TO THE INSTALLATION OF COMMUNICATION EQUIPMENT

5.1 The installation of transmission equipment with digital interfaces for the transfer of information by satellite (Very Small Aperture Terminals, hereinafter VSAT), by microwave systems or by terrestrial means to transmit and/or receive data signals may be necessary for the provision of the services by DETASAD. DETASAD shall make the decision in this regard after consultation with the Customer in its reasonable discretion.

5.2 DETASAD shall decide in its reasonable discretion after a site survey to be made together with the Customer regarding the exact location and the technical parameters of the respective installation, in particular regarding the exact definition of the location of the transmission equipment, the laying of the cables, the location of the

internal unit as well as the determination of measures and the responsibility for the preparation of the installation.

6 PERFORMANCE TIMES AND DEAD LINES

Dates and deadlines desired by the Customer are only binding if DETASAD has expressly confirmed them in writing and the Customer has met all requirements for the performance of the services within his area of responsibility, in particular has fulfilled the duties set forth in paragraph 4 and 5 as well as in the General Installation Conditions.

7 PROPERTY RIGHTS

7.1 DETASAD shall retain ownership to all tangible and intangible property provided.

7.2 If the Customer buys technical components from DETASAD, DETASAD reserves ownership until full payment of the purchase price. The Customer may not pledge the purchased articles to third parties or assign them by way of security.

7.3 In the event of breach of contract by the Customer for which he is legally liable, in particular delayed payment, DETASAD has the right to take back the objects which were delivered subject to a reservation of ownership and the Customer is obligated to return the objects. In the event the objects which were subject to a reservation of ownership are taken back or attached by DETASAD, this shall not constitute cancellation of the contract.

8 PRICES, PAYMENT TERMS AND TRANSPORT

8.1 As far as nothing else is agreed, the payment obligation of the Customer begins when the services are made available by DETASAD. If DETASAD performs partial services which are capable of functioning, such as for example through the supply of various parts of services at different times, the payment obligation of the Customer shall begin for the respective partial service - as far as nothing else is agreed on - with the provision of the respective partial service.

8.2 DETASAD has the right to invoice the partial services separately.

8.3 If the parties agree that fees shall be paid monthly, these fees shall be paid in advance. The fee for the month in which the service is made available will be invoiced pro rata from that date. In this regard for each day 1/30 of the monthly fee shall be charged.

8.4 If the parties agree that fees shall be paid annually, these annual fees shall be paid in advance. In the year in which the services are first made available, for each full month in which services are rendered 1/12 of the annual fee shall be charged. The calculation of the fee for the commenced month is calculated according to paragraph 8.5.

8.5 In the event of an increase in costs, DETASAD reserves the right to reasonably adjust the fees for the DETASAD services. The same shall apply for any increases in taxes, charges, duties or other fees where this influences the fees due to DETASAD. No right to a price increase shall apply where services which are to be performed only once shall be completed within 4 months of the conclusion of the agreement.

8.6 Payment shall be made in Saudi Rial (SAR).

8.7 The Customer only has a right to hold back payments or set them off against opposing claims, as far as his own claims are undisputed or determined in a final legal manner.

8.8 As far as is stipulated to the contrary, the risk - including in the event of delivery with prepaid freight - passes to the Customer upon delivery to the first transport person. This also applies if the Customer refuses to accept delivery.

9 EXCLUSION OF OBJECTIONS

Objections against invoices and statements of account shall be made in writing within 30 days after receipt of the invoice. Otherwise the invoice (statement of account) shall be deemed to be approved.

10 DEFAULT

10.1 During the period in which the default of the Customer continues, the duty of DETASAD to perform is suspended, unless the refusal to perform is in bad faith, for example due to the relatively low level of the outstanding amount. If the Customer is in default of payment, the outstanding amount shall bear a penalty for late payment of 15 % p.a.

10.2 If the Customer defaults in his obligation to accept the services or parts thereof, in particular due to breach of his obligations under paragraph 4 and 5 or the General Installation Conditions, DETASAD shall be entitled to a lump sum damage claim for the duration of the default in the amount of the compensation owed for the unaccepted services, unless DETASAD proves higher or the Customer proves lower damages. DETASAD is entitled to claim this amount for each month of default.

10.3 If on the basis of the default of the Customer within the meaning of 10.2 the time period for the performance of the services changes and DETASAD can therefore after the expiry of the originally agreed period for performance no longer provide the required space segment or if permits expire, DETASAD is released from the obligation to provide services and the Customer may not derive any other rights therefrom.



10.4 In the event of default in payment and unsuccessful expiry of a reasonable further payment period as well as other justified doubts in the payment capacity or creditworthiness of the Customer, DETASAD has - notwithstanding its other rights - the right to request advance payment for not yet performed deliveries or services and to render due all claims having arisen from the business relationship.

10.5 If DETASAD does not perform the services owed in a timely manner, the Customer may only cancel the contract or terminate it after unsuccessful expiry of a reasonable grace period of at least four weeks, unless the imposition of a deadline is not necessary for statutory reasons. Paragraph 12.6 applies accordingly.

11 TERMINATION OF CONTRACT

11.1 If the contract partners terminate a contract (in whole or in part) by mutual agreement, DETASAD can, as far as nothing is stipulated to the contrary, request the following redemption amounts:

g) If at the time of the termination of the contract any necessary communications systems or parts thereof have not been assembled, a severance amount of twelve times the monthly compensation for the (performed portion of the) services of DETASAD plus the actually incurred expenses.

h) In all the other cases the redemption amount shall be three-quarters of the monthly compensation which would have been payable until the end of the regular contract term.

i) If the termination of the contract only relates to a part of the owed services, the above provisions shall apply to this part accordingly.

j) The resulting amounts are due at the date of the conclusion of the termination agreement.

11.2 If DETASAD terminates for good cause for which the Customer is legally responsible, DETASAD is entitled to lump sum damages in the amount of half of the compensation owed for the remaining regular term of the contract, unless DETASAD proves higher or the Customer proves lower damages. The above provision applies in particular if the Customer breaches his obligations under paragraph 4 and 5 or the General Installation Terms or is in default of his payment obligations in an amount corresponding to at least two months as well as if he is liable for other damages according to the prevailing laws in the Kingdom of Saudi Arabia.

11.3 DETASAD shall be entitled in the event of substantial changes in the technical conditions (e.g. failure of satellites, local conditions for license are no longer satisfied) to terminate the service or individual parts thereof on one month's notice to the end of a month or adjust the service according to the principles of good faith to the new circumstances. In the event an adjustment is made, the Customer has the right to an extraordinary termination of the agreement.

11.4 DETASAD has the right to termination if the performance of the services is not possible or not possible for an extended period of time due to force majeure and negotiations for a contractual adjustment due to the change of circumstances are rejected by the Customer or such negotiations fail.

12 CLAIMS DUE TO DEFECTS

In the event of the sale of technical components, the following provisions apply:

12.1 The Customer shall inform DETASAD in writing of any apparent defect without delay, but at the latest within 10 days after receipt and in as much detail as possible. If a defect was not recognizable upon first inspection but later becomes apparent, then the written notice must be made at the latest within 10 days after discovery.

12.2 Claims based on defects are excluded as far as there is only a slight deviation from the agreed condition or in the event of only slight impairment of the usability. The warranty for used objects is excluded.

12.3 DETASAD shall not be liable on the basis of own public statements or those of the manufacturer or his agents if and to the extent the Customer cannot prove that the statements influenced his purchase decision, if DETASAD was not aware of the statements or could not reasonably be expected to have been aware of it or the statement was already corrected as of the date of the purchase decision.

12.4 The warranty of DETASAD ceases to apply to the extent of changes to or expansions of the services or delivered articles which the Customer makes himself or through third parties, unless the Customer proves that the change or expansion is not the cause of the defect. DETASAD is also not liable for defects which relate to improper use and terms of use or the utilization of improper operating means by the Customer.

12.5 If the Customer requests subsequent performance due to a defect, DETASAD can at its option remove the defect itself or supply a defect-free object as a replacement. The right of the Customer to reduce the purchase price or cancel the contract in case of unsuccessful subsequent performance remains unaffected.

12.6 At the request of DETASAD the Customer has a duty to declare in writing within a reasonable period, but at the latest within 14 days after

the request, whether he cancels the contract due to a breach of a contractual obligation or terminates it and/or insists on payment of damages or reimbursement of expenses instead of the service or insists on delivery or service.

12.7 Claims due to defects are subject to a limitation period of 12 months from delivery.

12.8 If the Customer submits a notice of defect for reasons which are not justified, he shall reimburse to DETASAD its costs incurred by the review of the notice on the basis of the rates of DETASAD which are applicable at that time.

12.9 Claims for damages and reimbursement of expenses remain unaffected as far as they are not excluded or restricted by paragraph 13.

13 LIABILITY

13.1 DETASAD's liability for property damage during the performance of telecommunication services will in accordance to the following provisions:

13.2 DETASAD is fully liable for damages caused through intentional or grossly negligent actions as well as for injury to life, body and health.

13.3 In product liability cases DETASAD is liable only according to the laws in the Kingdom of Saudi Arabia.

13.4 DETASAD is liable for breach of warranty if warranted qualities do not exist or for breach of guarantees in the scope of the property interest of the Customer which was covered by the purpose of the warranty or the guarantee and which was recognizable by DETASAD when making the warranty or the guarantee.

13.5 DETASAD is liable for damages caused by the breach of major contractual obligations. Major contractual obligations are those fundamental obligations in the contract which were determinative for the Customer in concluding the contract and on the fulfillment of which he was entitled to rely. In the event of negligent breach of major contractual obligations by DETASAD (including by its executive employees), DETASAD is not liable for lost profit or consequential damages.

13.6 DETASAD is liable within the scope of 13.2 to 13.5 for the loss or the destruction of data only to the extent that the Customer has ensured through his duty to back up data set forth in paragraph 4.3 that the data can be reconstructed with reasonably acceptable effort. The liability is limited to the reproduction expense which arises when regular data backups are made.

14 CONFIDENTIALITY

14.1 The parties agree to keep confidential all information received about the other contracting party in the context of the contractual relationship for three years beyond the termination of their business relationship. This applies in particular for information regarding operational procedures, technical know-how and operational and business secrets which are recognizable as such. As far as not required by the contractual purpose, the parties shall make no notes or communications to third parties. Third parties engaged by the contracting parties shall be subjected to the same obligations.

14.2 If public authority requests information within the meaning of the above provision from a contracting party, the respective other contracting party shall be informed thereof without delay and prior to the disclosure of the information to the public authority.

14.3 Both contracting parties agree at the option of the respective other contracting party to either return the information within the above-mentioned meaning or to destroy it.

15 PLACE OF JURISDICTION AND APPLICABLE LAW

This agreement will be governed by the applicable laws, rules and regulations in the Kingdom of Saudi Arabia. Both parties will exert every effort to settle any dispute amicably. In case of failure to reach amicable settlement, the dispute will be referred to Communication and Information Technology Commission (CITC). If CITC fails to resolve the dispute, the case will be forwarded to the Grievance Court in the Kingdom of Saudi Arabia whose decision will be final.

16 FINAL PROVISIONS

16.1 To assign its rights under this contract, the Customer requires the prior written consent of DETASAD.

16.2 The Customer grants DETASAD the right to present the system which is the subject matter of the contract as a reference facility for advertising purposes (e.g. in prospectuses, brochures, reference lists, etc.), and after prior coordination of a date with the Customer, to present it to Customers of DETASAD as a demonstration facility.

16.3 This contract is written in both English and Arabic language. In case of conflict, the Arabic text shall prevail.