SCHEDULE C

CONTRACT PRICE AND PAYMENT PROVISIONS

1. CONTRACT PRICE
   1. As full and complete compensation for CONTRACTOR’s performance of the WORK and all of CONTRACTOR’s obligations hereunder in accordance with the terms and conditions of this Contract, SAUDI ARAMCO shall pay CONTRACTOR a lump sum Contract Price as specified in Pricing Attachment I to Schedule “C”.
   2. Except as otherwise provided herein below, the Contract Price constitutes the entire compensation due CONTRACTOR for the WORK and all of CONTRACTOR’s obligations hereunder and includes, but is not limited to, compensation for any Government-caused cost increases imposed at any time, all applicable taxes, overtime premiums, duties, fees, overheads, profit, mobilization and demobilization, and all other direct and indirect costs and expenses incurred or to be incurred by CONTRACTOR hereunder. Notwithstanding the foregoing, the Contract Price shall exclude VAT (as defined in Paragraph 7 of Schedule “F”). Any VAT amounts applicable to each item of goods and services shall be invoiced on a separate line item and in accordance with Paragraph 7 of Schedule “F”.
   3. The Contract Price and rates in Pricing Attachment I to Schedule “C” are firm for the duration of the Contract and are not subject to escalation for any reason. No adjustments in the Contract Price or rates in Pricing Attachment I to Schedule “C” shall be made as a result of changes in the relative value of any currency. The Contract Price is broken down into the constituent portions of the WORK as shown in Pricing Attachment I to Schedule “C”. The Contract Price represents an amount to compensate CONTRACTOR for all costs, overhead and profit relating to engineering, construction, and procurement services for the FACILITIES.
   4. The Contract Price and rates in Pricing Attachment I to Schedule “C” shall be adjusted only by an Amendment. Compensation for Changes and any adjustment in the Contract Price shall also be broken down in the format set forth in Pricing Attachment I to Schedule “C”.
   5. The lump sum Contract Price is broken down into, and is the sum of, the following constituent elements of the WORK in the amounts set forth in Attachment I to Schedule “C”:
      1. An amount to compensate CONTRACTOR for all costs, overhead and profit relating to engineering services for the FACILITIES (“Engineering Price”);
      2. An amount to compensate CONTRACTOR for all costs, overhead and profit relating to the fabrication and construction of the FACILITIES (“Construction Price”); and
      3. An amount to compensate CONTRACTOR for all costs, overhead and profit relating to purchase of materials and equipment, services for Material procurement, and transportation to the Job Site (“Material Price”). The Material Price is allocated to major equipment (“Engineered Equipment”), and non-engineered equipment, which includes bulk material items (“Bulk Material”) and fabricated items, including pre-assembled modules (“Non-Engineered Equipment”).
   6. Withholding Payment
      1. Further to, and not in limitation of, the terms of Schedule “A”, in the event that CONTRACTOR has failed to meet any of the obligations specified below, SAUDI ARAMCO may, at its sole discretion, withhold any and all payments otherwise due CONTRACTOR under this Schedule “C” until such time as CONTRACTOR corrects the failure. SAUDI ARAMCO reserves the right to withhold payment under this Paragraph:
         1. If CONTRACTOR fails to achieve a Critical Milestone Date set forth in Attachment II of Schedule “B”; or
         2. If CONTRACTOR fails to correct deficiencies in items of equipment or Materials, related documentation and/or services identified by SAUDI ARAMCO or specified in CONTRACTOR’s inspection reports prior to shipment of such items from Vendor(s); or
         3. If CONTRACTOR fails to correct Defects in the WORK or portions of the FACILITIES for which CONTRACTOR is otherwise eligible for payment pursuant to Attachment I to Schedule “C”.
   7. Deductions for Failure to Submit Reports

If CONTRACTOR fails to submit compliant reports timely on a recurring basis, or reports submitted are not reasonably accurate and complete for the purpose of such reporting on a recurring basis, and after at least one written warning from Company Representative of such recurring deficiencies, SAUDI ARAMCO may withhold at any time and from any payments due to CONTRACTOR the amount of US$50,000 for such non-compliance. Withheld funds shall be released promptly when, in the judgment of Company Representative, the cause for such withholding has been adequately remedied, subject to reinstatement for future violations as may be appropriate.

1. COMPENSATION FOR CHANGES AND OTHER ADJUSTMENTS
   1. Compensation or credit for Changes pursuant to Paragraph 10 of Schedule “A”, compensation for start-up and commissioning assistance pursuant to Paragraph 9.5 of Schedule “A”, compensation for standby time pursuant to Paragraph 15 of Schedule “A”, and material compensation adjustments pursuant to Schedule “G” do not constitute adjustments to the Contract Price.
   2. The compensation due CONTRACTOR or the credit due SAUDI ARAMCO for Changes shall be established, at SAUDI ARAMCO's option, on one or more of the following basis:
      1. Lump Sum basis.
      2. Time Unit Rate basis in accordance with Paragraphs 3 and 4 below and as set forth in Pricing Attachment I to Schedule “C”.
      3. Work Unit Rate basis in accordance with Paragraph 5 below and as set forth in Pricing Attachment I to Schedule “C”.

Once established, the amount of the compensation due CONTRACTOR or credit due SAUDI ARAMCO for a Change (the “Change Order Price”) shall not be subject to adjustment for any reason including changes in the value of any currency.

* 1. With respect to WORK to be compensated on a Time Unit Rate basis pursuant to Paragraph 2.2.2 above, on each scheduled working day, not later than 10:00 a.m., CONTRACTOR shall submit to the Company Representative detailed time sheets, in duplicate, listing the categories and amounts of labor and equipment for which Change Order compensation is to be charged for the previous work day. CONTRACTOR shall commence submission of such time sheets immediately upon commencement of the Change Order WORK and continue to submit them until completion of the Change Order WORK. Company Representative's signature on the time sheet shall constitute only an attestation of the time periods involved.
  2. Upon completion or deletion of WORK performed or deleted pursuant to Paragraph 10 of Schedule “A”, the CONTRACTOR and Company Representative shall prepare and execute appropriate documentation certifying that the WORK involved is completed or deleted and the compensation or credit due. This documentation shall be processed by SAUDI ARAMCO as an invoice for payment or setoff.
  3. Notwithstanding the provisions of Paragraph 2.4 above, SAUDI ARAMCO shall have the right to elect that the Change Order Price be paid on a milestone or progress basis as detailed below, provided the Change Order Price exceeds five hundred thousand United States Dollars (US$500,000) and the Change Order WORK will take more than six months to complete. In such event, SAUDI ARAMCO shall reference the payment basis and milestones, if applicable, on the Change Order, and invoicing and payment shall be in accordance with the following, as applicable and at SAUDI ARAMCO’s sole discretion:
     1. Milestone Basis: CONTRACTOR shall separately invoice SAUDI ARAMCO for the portion of the Change Order Price allocated to the milestone events specified on an attachment to the Change Order upon the achievement of such events and certification of completion by the Company Representative.
     2. Progress Basis: For individual milestones, and at SAUDI ARAMCO’s sole discretion and written instruction, payment may be made on a monthly basis during the progress of the Change, CONTRACTOR may separately invoice SAUDI ARAMCO for a proportionate part of the Change Order Price attributable to WORK on such Change completed during the preceding month and not included on previous invoices. CONTRACTOR shall include with its invoice a statement, prepared and signed by Company Representative, which, in reasonable detail, estimates and itemizes the percentage of the Change Order WORK completed during the preceding month. In case of disagreement, the Company Representative’s determination as to the percentage of Change Order WORK completed shall control.
  4. SAUDI ARAMCO has the right to issue Change Order to direct CONTRACTOR to source material items specified in “Life Cycle Costing and Material Sourcing” in Pricing Attachment I to Schedule “C”. The value of such Change Order shall not exceed the delta between the material pricing in the base proposal and the material price associated with the directed alternate source specified by SAUDI ARAMCO.
  5. Pursuant to Paragraph 15 of Schedule “A”, CONTRACTOR shall be paid for all SAUDI ARAMCO approved Standby Time at seventy percent (70%) of the Time Unit Rates for CONTRACTOR equipment as set forth in Pricing Attachment I to Schedule “C” up to a maximum of eight (8) hours per day and one hundred percent (100%) of the Time Unit Rates for CONTRACTOR personnel as set forth in Pricing Attachment I to Schedule “C” up to a maximum of eight (8) hours per day.
  6. Requests for standby compensation shall be submitted at the end of standby periods. All such requests shall be supported by daily time sheets as provided in Paragraph 15 of Schedule “A”.
  7. With respect to WORK performed pursuant to Paragraph 9.5 of Schedule “A”, on each scheduled working day, not later than 10:00 a.m., CONTRACTOR shall submit to Company Representative, in duplicate, detailed time sheets listing categories and amounts of labor and equipment attributable to the performance of Start-up and Commissioning for the previous work day. CONTRACTOR shall commence submission of such time sheets immediately upon commencement of Start-up and Commissioning assistance and continue to submit them until the FACILITIES have been successfully operated at the conditions specified in Schedule “B” or six months after complete or partial MCAN, whichever comes first. CONTRACTOR shall invoice SAUDI ARAMCO monthly for verified Start-up and Commissioning assistance in excess of the quantities specified in Schedule “B” and at the Time Unit Labor and Equipment Rates specified in Pricing Attachment I to Schedule “C”. Company Representative's signature on the time sheet shall constitute only an attestation of the time periods involved.
  8. After approval of invoices by Company Representative, SAUDI ARAMCO will promptly pay CONTRACTOR the amounts certified as due and owing under this Paragraph 2.
  9. Compensation for Incidental Services

SAUDI ARAMCO shall reimburse CONTRACTOR for actual auditable and verifiable incidental costs as specified below, incurred on SAUDI ARAMCO’s behalf provided such costs are a) not included in the Contract Price or Paragraphs 2.1 or 2.2 of Schedule “C”, and b) incurred pursuant to SAUDI ARAMCO’s advance written direction and approval, and c) do not exceed fifty thousand US Dollars (US$50,000) per occurrence, and cumulative value of five hundred thousand US Dollars (US$500,000) per calendar year. CONTRACTOR shall invoice SAUDI ARAMCO monthly for such incidental costs with substantiating documentation acceptable to SAUDI ARAMCO:

* + 1. Long-distance telephone communications and internet charges directly incurred by SAUDI ARAMCO or SAUDI ARAMCO-sponsored personnel through the use of SAUDI ARAMCO-dedicated telephones, mobiles, facsimile machines, and Mobile internet connections (per Schedule “B”) assigned for SAUDI ARAMCO use. Costs of all local calls, if any, shall be for CONTRACTOR’s account.
    2. Meeting facilities and presentation support services for Management Review Meetings where SAUDI ARAMCO directs that such meetings occur in facilities other than those provided by CONTRACTOR pursuant to this Contract.
    3. CONTRACTOR-provided outside agency secretarial / clerical support staff personnel for SAUDI ARAMCO support as and when directed in writing by SAUDI ARAMCO. Such personnel shall be proficient and fluent in written and spoken English. The secretaries shall be proficient in the use of personal computers, software, and other equipment. SAUDI ARAMCO shall have the right to review and approve nominations for such secretarial/clerical/support personnel.
    4. Third party reproduction services in excess of project specification requested in writing by Company Representative.
    5. Courier services (DHL, Federal Express. etc.) directly incurred for SAUDI ARAMCO.
    6. Reimbursements for applicable Saudi Arab Customs duties paid by CONTRACTOR per Paragraph 5.0 of Schedule G.
    7. Other miscellaneous expenditures for items that are not specifically mentioned elsewhere in this Contract and do not exceed ten thousand US Dollars ($10,000) per month, provided that the expenditures are related to the WORK and are not included in the lump sum Contract Price.
    8. Where third party services under this Paragraph 2.11 are required, at least three quotations shall be solicited, unless waived by the Company Representative.

1. TIME UNIT RATES FOR PERSONNEL
   1. The Labor Rates for CONTRACTOR personnel set forth in Pricing Attachment I to Schedule “C” represent full and complete compensation to CONTRACTOR for WORK performed pursuant to Paragraphs 9.5 and 10 of Schedule “A” and Paragraphs 2.2.2 and 2.6 of this Schedule “C”, and are inclusive of all costs as set forth herein.
      1. Labor Rates constitute all-inclusive payment to CONTRACTOR per hour worked by CONTRACTOR personnel directly engaged in performance of the WORK and include compensation for overtime premium costs for any hours worked in excess of CONTRACTOR’s normal work week or for hours worked on holidays and weekends.
      2. Labor Rates include compensation for all costs to CONTRACTOR, including but not limited to mobilization/ demobilization, site overheads, camp and catering/maintenance costs, all direct salary costs, Ramadan premiums, vacation pay, holiday pay, payroll insurances, sick pay, completion and severance awards, transportation, living allowances, any Government-caused cost increases imposed at any time, and all other burdens, indirect costs and profit. Labor Rates shall apply to WORK performed at any time of the day or night or any day of the week. The maximum hours billable per any day worked is ten (10) hours.
      3. The normal workweek for CONTRACTOR’s personnel shall be consistent with the Labor Law of the Kingdom of Saudi Arabia and shall be in accordance with Schedule “B”. It is specifically agreed that the Labor Rates represent payment by SAUDI ARAMCO to CONTRACTOR, and not to CONTRACTOR’s personnel.
2. TIME UNIT RATES FOR EQUIPMENT
   1. The Equipment Rates for equipment utilized for the WORK set forth in Pricing Attachment I to Schedule “C” represent full and complete compensation to CONTRACTOR for WORK performed pursuant to Paragraphs 9.5 and 10 of Schedule “A” and Paragraphs 2.2.2 and 2.6 of this Schedule “C”.
      1. Equipment Rates constitute all-inclusive payment to CONTRACTOR per hour worked by CONTRACTOR equipment at the Job Site, provided that in any scheduled workday each item of equipment shall only be charged if the equipment was available, and approved to work. Equipment Rates shall apply at any time of the day or night and any day of the week, but charges for periods in excess of ten (10) hours per scheduled workday require SAUDI ARAMCO’s prior approval.
      2. Equipment Rates include, but are not limited to, all costs for mobilization/demobilization, transportation and travel time to and from the WORK Site, site overheads, all maintenance costs including maintenance labor, catering and accommodation costs related thereto, repairs, fuel, lubricants, spare parts, operating supplies, tools, consumables, depreciation, standby time, insurance and taxes associated with the supply and operation of the equipment, any Government-caused cost increases imposed at any time, and all overhead costs and profit. Equipment Rates also include the cost of equipment drivers or operators, if applicable. SAUDI ARAMCO shall not be charged for equipment idle time due to CONTRACTOR’s failure to provide operators.
      3. Equipment Rates for overtime usage will be based on the following rate formula:

Overtime Hourly Rate = Monthly Equipment Rate

260 hours/month

For purposes of this Paragraph, overtime is defined as time actually worked in excess of a normal ten (10) hour daily shift, regardless of the day of the week. All overtime shall require prior approval by SAUDI ARAMCO. Without limitation, equipment overtime shall be chargeable only so long as the equipment operator is available.

* + 1. Monthly Rates for equipment shall be for ten (10) hours per day and for twenty six (26) days per month.
    2. SAUDI ARAMCO shall not be charged for equipment downtime due to breakdown or major maintenance. For purposes of this Paragraph, maintenance or repair work on the affected equipment which is accomplished within two (2) consecutive working hours of its removal from the WORK shall be considered routine maintenance. All other maintenance and repair work shall be considered major maintenance and the period encompassed shall be non-chargeable from the time the affected equipment becomes inoperable.
    3. Should the removal from the Job Site of any item of CONTRACTOR equipment requiring major repair impede the progress of the WORK or should any item of CONTRACTOR equipment be lost or destroyed, CONTRACTOR shall promptly supply an equipment substitute unless otherwise agreed by SAUDI ARAMCO. Equipment not meeting SAUDI ARAMCO safety standards shall be considered inoperative and shall be non-chargeable hereunder.
    4. CONTRACTOR shall be responsible for delivery of its equipment to and removal from the WORK Site at no additional cost to SAUDI ARAMCO. CONTRACTOR must obtain SAUDI ARAMCO’s approval for use of equipment in the WORK prior to charging SAUDI ARAMCO for such equipment.
    5. Company Representative will determine whether hourly or monthly equipment rates shall apply for an invoice period.

1. WORK UNIT RATES

Work Unit Rates for Changes set forth in Pricing Attachment I to Schedule “C” represent an alternative basis for determining the full and complete compensation due to CONTRACTOR for accomplishing a Change or the credit due SAUDI ARAMCO for deleted WORK. They are inclusive of all costs, including but not limited to the cost of labor, material, engineering, taxes, transportation, preparation, handling, fabrication, construction, overhead, any Government-caused cost increases imposed at any time, profit and fee as applicable. Work Unit Rates for Changes shall remain the same whether the Change represents an increase or decrease in WORK.

1. PAYMENT OF CONTRACT PRICE
   1. Payment of Advance Payments
      1. After the Effective Date of this Contract, CONTRACTOR may invoice SAUDI ARAMCO for any advance payment (not to exceed an amount equal to five percent (5%) of the Lump Sum Contract Price) as set forth in Pricing Attachment I to Schedule “C” (the “Advance Payment”). CONTRACTOR shall simultaneously provide SAUDI ARAMCO with a letter of credit or bank guarantee as set forth in Exhibit I to this Schedule “C” from a bank acceptable to SAUDI ARAMCO and for an amount equal to the Advance Payment.
      2. After receipt of a letter of credit or bank guarantee acceptable to SAUDI ARAMCO and approval of the invoice by the Company Representative, SAUDI ARAMCO will promptly pay CONTRACTOR one hundred percent (100%) of the Advance Payment.
      3. SAUDI ARAMCO shall deduct ten percent (10%) of the total invoice value attributable to the lump sum Contract Price from each of CONTRACTOR’s payments due hereunder until such time as the full Advance Payment amount has been recovered. For clarity, this deduction is in addition to the ten percent (10%) retention per Paragraph 6.5 below. In the event that this Contract is terminated prior to full recovery of the Advance Payment by SAUDI ARAMCO, CONTRACTOR shall immediately repay the balance of the Advance Payment to SAUDI ARAMCO. CONTRACTOR shall have the right to replace the bank guarantee provided to SAUDI ARAMCO in accordance with this Paragraph 6.1 with a new bank guarantee(s) provided the current amount of such bank guarantee is not less than the remaining Advance Payment amount not yet recovered by SAUDI ARAMCO.
   2. Payment of Engineering Price
      1. CONTRACTOR shall prepare and submit a listing of all design deliverables, categorized by deliverable type (“Deliverables List”) to the Company Representative for review within thirty (30) days after the Effective Date. CONTRACTOR shall not invoice SAUDI ARAMCO for any part of the Engineering Price until the detail activities, deliverables, quantities and weightings in the Deliverables List have been agreed and approved by SAUDI ARAMCO.
      2. In the event that CONTRACTOR and SAUDI ARAMCO disagree as to the content of the Deliverables Lists, the determination of the Company Representative shall control.
      3. CONTRACTOR shall revise the Deliverables List as required by the Company Representative to reflect revisions to the Project Execution Plan (PEP) and Changes. Revisions to the Deliverables List shall require Company Representative’s approval prior to their use to calculate progress payments.
   3. Payment of Construction Price

CONTRACTOR shall invoice SAUDI ARAMCO once monthly for the completed portion of the WORK included in the Construction Price. In accordance with Paragraph 6.3.1, the amounts invoiced for WORK shall be directly related to the Milestones Categories achieved prior to the end of the invoice period, less amounts previously invoiced. CONTRACTOR shall submit a statement approved by the Company Representative, which in reasonable detail estimates and itemizes the WORK completed during the preceding month. In case of disagreement, the Company Representative’s determination as to the percentage of WORK completed shall control.

* + 1. The Construction Price is comprised of work breakdown structure weightings (“Milestone Categories”) set forth in Attachment I to Schedule “C” and such Milestone Categories shall be used as the basis for determining incremental payments for performance of the WORK.
    2. Payment for Milestone Categories shall be due only when the respective activities/deliverables are 100% completed and accepted by the Company Representative. The total payable for individual Milestone Categories shall be determined as specified in Attachment I to Schedule “C”.
    3. Progress Payments

For individual Milestone Categories, and at SAUDI ARAMCO’s sole discretion and written instruction, payment may be made on a monthly basis during the progress of the WORK, CONTRACTOR may separately invoice SAUDI ARAMCO for a proportionate part of the Milestone Category completed during the preceding month and not included on previous invoices. CONTRACTOR shall include with its invoice a statement, prepared and signed by Company Representative, which, in reasonable detail, estimates and itemizes the percentage of the Milestone Category completed during the preceding month. In case of disagreement, the Company Representative’s determination as to the percentage of Milestone Category completed shall control.

* 1. Payment of Material Price

CONTRACTOR shall invoice SAUDI ARAMCO once monthly for that portion of the WORK included in the Material Price detailed in Attachment I to Schedule “C” (“Material Price Breakdown”):

* + 1. CONTRACTOR shall prepare and submit a comprehensive purchase order placement plan for all Engineered Equipment and Non-Engineered Equipment as specified in the Material Price Breakdown. The plan shall include purchase order placement dates, expected delivery dates, CONTRACTOR’s payment plans with Vendors, proposed invoices to SAUDI ARAMCO and timing of those invoices, and other factors relevant to performance of the WORK.
    2. SAUDI ARAMCO shall have the right to review and approve CONTRACTOR’s purchase order plan provided under Paragraph 6.4.1 above. CONTRACTOR shall not be entitled to invoice SAUDI ARAMCO for materials until CONTRACTOR’s purchase order plan has been agreed to and approved by the Company Representative.
    3. Engineered Equipment

Engineered Equipment shall include the items listed in Pricing Attachment I to Schedule “C”. CONTRACTOR may invoice for the Engineered Equipment in accordance with the following:

* + - 1. Five percent (5%) of the Material Price allocated to each separable Engineered Equipment item upon CONTRACTOR’s placement of Purchase Order for such item and providing SAUDI ARAMCO with proof of CONTRACTOR’s corresponding payment to Vendor.
      2. Ten percent (10%) of the Material Price allocated to each separable Engineered Equipment item upon completion of Vendor engineering for such item and release by CONTRACTOR of complete engineering documents and related documentation and data for fabrication.
      3. Fifty percent (50%) of the Material Price allocated to each separable Engineered Equipment item on shipment of such item, including all its parts, by the Vendor(s) thereof to the Job Site supported by the Vendor's invoice and proof of shipment.
      4. Twenty percent (20%) of the Material Price allocated to each separable Engineered Equipment item on final receipt of such item, including all its parts and permanent installation into the FACILITIES at the Job Site.
      5. Fifteen Percent (15%) of the Material Price allocated to the Purchase Order for submittal and acceptance, by SAUDI ARAMCO, of NMR’s and the complete spare parts data package as specified in SAEP-3101.
    1. Non-Engineered Equipment

Non-Engineered Equipment shall include the items listed in Attachment I to Schedule “C”. CONTRACTOR may invoice for the Non-Engineered Equipment in accordance with the following:

* + - 1. Five percent (5%) of the Material Price allocated to each Non-Engineered Equipment item upon CONTRACTOR’s placement of Purchase Order for such item and providing SAUDI ARAMCO with proof of CONTRACTOR’S corresponding payment to supplier.
      2. Seventy-five percent (75%) of the Material Price allocated to each Non-Engineered Equipment on shipment of such item by the Vendor(s) thereof to the Job Site supported by the Vendor’s invoice and proof of shipment.
      3. Twenty percent (20%) of the Material Price allocated to each Non-Engineered Equipment on final acceptance receipt of such item, including all Products Data and Operations & Maintenance Manuals, and permanent installation into the FACILITIES at the Job Site.

In connection with payment of the Material Price, CONTRACTOR shall provide SAUDI ARAMCO with a bank guarantee in the form set forth in Exhibit II of this Schedule “C” from a bank acceptable to SAUDI ARAMCO. SAUDI ARAMCO shall not approve CONTRACTOR’s invoices for any part of the Material Price unless the current amount of such bank guarantee certified to SAUDI ARAMCO by the bank is no less than the difference between (1) the total amount invoiced to date pursuant to Paragraphs 6.4.3.1, 6.4.3.2, and 6.4.3.3 for Engineered Equipment and Paragraphs 6.4.4.1 and 6.4.4.2 for Non-Engineered Equipment which remain undelivered to the Job Site and (2) the aggregate of the amount specified in the bank guarantee provided in accordance with Paragraph 6.5 below and any amounts retained under Paragraph 6.5 below.

* 1. Retention
     1. After approval by the Company Representative of each invoice submitted by CONTRACTOR in accordance with Paragraphs 6.2, 6.3, and 6.4 above, SAUDI ARAMCO will promptly pay such invoice less, subject to Paragraph 6.5.2, a retention of ten percent (10%), until the total amount retained equals five percent (5%) of the Contract Price. All such payments by SAUDI ARAMCO shall not be construed as acceptance of any part of the WORK. Sums retained pursuant to this Paragraph shall be paid to CONTRACTOR in accordance with Paragraph 8 below. CONTRACTOR agrees that the full legal and beneficial ownership in the retention shall remain vested in SAUDI ARAMCO and CONTRACTOR shall have no interest therein until such time as the same is to be included in any payment made under this Contract.
     2. SAUDI ARAMCO and CONTRACTOR agree that, subject to Paragraph 6.5.3, CONTRACTOR shall have a right provide a bank guarantee, in the form set forth in Exhibit III of this Schedule “C” and from a bank acceptable to SAUDI ARAMCO, in lieu of the retention to be withheld by SAUDI ARAMCO pursuant to Paragraph 6.5.1. Such bank guarantee shall:
        1. be in the amount of five percent (5%) of the Contract Price;
        2. be provided to SAUDI ARAMCO no later than the date upon which the first retention amount would otherwise be withheld pursuant to Paragraph 6.5.1; and
        3. unless there are any pending or previously notified and outstanding claim(s), be valid and enforceable until such time as SAUDI ARAMCO is required to release the bank guarantee pursuant to Paragraph 8.
     3. Should CONTRACTOR fail to provide a bank guarantee in such form and within such time as is required by Paragraph 6.5.2, CONTRACTOR shall not be entitled to provide any bank guarantee in lieu of retention and SAUDI ARAMCO shall deduct amounts for retention pursuant to Paragraph 6.5.1.
     4. If at any time the Contract Price is increased such that the value of the bank guarantee provided pursuant to Paragraph 6.5.2 is less than five percent (5%) of the current Contract Price, SAUDI ARAMCO may (at its absolute discretion):
        1. require CONTRACTOR to increase the value of such bank guarantee so that it equals five percent (5%) of the then current Contract Price and, as a condition precedent to any further entitlement to payment under the Contract, CONTRACTOR shall procure the corresponding increase by the date that is seven days following SAUDI ARAMCO’s request; or
        2. retain from all future payments to be made to CONTRACTOR an amount of retention equal to ten percent (10%) of any corresponding invoices until the aggregate of the total so retained and the value of the bank guarantee provided pursuant to Paragraph 6.5.2 equals five percent (5%) of the then current Contract Price.
     5. Should CONTRACTOR fail to increase the value of the bank guarantee in accordance with Paragraph 6.5.4.1, SAUDI ARAMCO may, at its absolute discretion, exercise its rights under Paragraph 6.5.4.2 in lieu of requiring an increase in the value of the bank guarantee.
     6. Where the bank guarantee provided pursuant to Paragraph 6.5.2 is subject, pursuant to its terms, to a fixed expiry date, CONTRACTOR shall, not less than fourteen (14) days prior to such expiry date, amend or replace such bank guarantee with a duly executed amended or replacement bank guarantee. Any replacement bank guarantee shall be from a bank acceptable to SAUDI ARAMCO, and shall be on identical terms to the replaced bank guarantee save that:
        1. its amount shall be equal to the available amount of the replaced bank guarantee on expiry; and
        2. any fixed expiry date shall be reasonably adjusted to occur not less than thirty (30) days after the date on which, according to the then current progress of the WORK, SAUDI ARAMCO will be obliged to return the bank guarantee to CONTRACTOR.
     7. Without in any way limiting SAUDI ARAMCO’s rights and remedies under the Contract, if CONTRACTOR fails to provide an amended or replacement bank guarantee pursuant to Paragraph 6.5.6, SAUDI ARAMCO shall have the right to call on the outstanding balance of such bank guarantee and hold the same as security for compliance by CONTRACTOR with its obligations and liabilities under the Contract. SAUDI ARAMCO shall be entitled to make deductions against any amounts so held in respect of any claim for which it would have been entitled to call on an amended or replacement bank guarantee (had CONTRACTOR provided same pursuant to Paragraph 6.5.6), but shall otherwise return to CONTRACTOR the remaining balance of such amounts (without any interest) if CONTRACTOR later provides the relevant amended or replacement bank guarantee or, if no amended or replacement bank guarantee is provided, following the date on which the relevant bank guarantee would have been returned in accordance with the Contract.
     8. CONTRACTOR acknowledges and agrees that the bank guarantee provided to SAUDI ARAMCO hereunder shall, for all purposes, be treated by SAUDI ARAMCO as funds retained under Paragraph 6.5.1 above, including but not limited to the application of Paragraph 10 of Schedule “C”. In particular, SAUDI ARAMCO may, without prejudice to the exercise of its rights and other remedies provided under the Contract, execute a call on the bank guarantee in such amounts up to the full value of the guaranteed amount to compensate for any amounts that SAUDI ARAMCO would be permitted to withhold from funds retained under the Contract. The bank guarantee provided in accordance with Paragraph 6.5.2 is in addition to and not in substitution of all other bank guarantees required or provided in connection with this Contract.

1. INVOICING AND PAYMENT
   1. CONTRACTOR shall invoice once monthly for the value of the WORK actually performed in the preceding month in accordance with this Contract.
   2. CONTRACTOR's invoices shall be submitted in quadruplicate to:

Saudi Arabian Oil Company (Saudi ARAMCO)

TCS Office – Invoice Control Unit

Building: Akaria 2, Gate 10, 6th Floor, Office No.712,

Olaya Road,

Riyadh City, Saudi Arabia

Riyadh 11372

or such other addressee and location as SAUDI ARAMCO may direct in writing.

* 1. CONTRACTOR shall provide or furnish the following information with each invoice:
     1. Contract number;
     2. Value of current invoice;
     3. Net amount payable stated in both words and numbers;
     4. Subtotal of all amounts prior to calculation of any VAT;
     5. VAT shall be shown separately, with all zero rated goods and services clearly identified;
     6. Contractor’s VAT registration number;
     7. Contractor’s remittance address;
     8. Tax certificates as required by Paragraph 3 of Schedule “F”;
     9. A General Organization for Social Insurance (GOSI) certificate confirming that CONTRACTOR has discharged its obligations to GOSI in accordance with Social Insurance Law; and
     10. A certification in the form set forth in Exhibit IV of this Schedule “C”, signed by an authorized CONTRACTOR’s officer, confirming that CONTRACTOR has complied with its obligations to compensate its employees and Subcontractors as required by Paragraph 13.6 of Schedule “A”.
  2. SAUDI ARAMCO may refuse payment for disputed items included in CONTRACTOR invoices, and may make payment for the remaining undisputed items. SAUDI ARAMCO will advise CONTRACTOR as the specific disputed items and associated amounts for which payment is being refused. CONTRACTOR shall include any such disputed items in subsequent invoices when the cause for payment refusal has been adequately remedied to SAUDI ARAMCO’s satisfaction.
  3. CONTRACTOR shall invoice SAUDI ARAMCO in the currency set forth in Pricing Attachment I to Schedule “C” and shall be paid in such currency or, at CONTRACTOR's request and subject to SAUDI ARAMCO's approval, a Contract awarded in Saudi Riyals may be paid in U.S. Dollars. The rate of exchange used by SAUDI ARAMCO to convert Saudi Riyals to U.S. Dollars will be the SAUDI ARAMCO rate of exchange in effect on the date each invoice is processed for payment by SAUDI ARAMCO.
  4. All payments from SAUDI ARAMCO to CONTRACTOR relative to this Contract shall be made by wire transfer to CONTRACTOR’s bank account. Within ten (10) calendar days after the effective date of the Contract, CONTRACTOR shall submit in writing to SAUDI ARAMCO Treasurer’s Organization, at the address specified in Paragraph 7.2 above, the following information regarding the bank account to which CONTRACTOR proposes all SAUDI ARAMCO payments relative to this Contract be deposited:
     1. Bank Name;
     2. Bank Address;
     3. Bank Account Number and Routing Transit Number (if applicable); and
     4. Name, Position, Telephone Number and Fax Number of CONTRACTOR’s contact person.

SAUDI ARAMCO shall have the right to approve or reject the bank proposed by CONTRACTOR and request CONTRACTOR to propose a different bank.

* 1. SAUDI ARAMCO shall not be liable for delays in the transmission of payments to CONTRACTOR’s bank account due to reasons not within SAUDI ARAMCO’s control. SAUDI ARAMCO shall have the right, at its sole discretion, to issue any or all payments to CONTRACTOR relative to this Contract by check instead of by wire transfer. In such case, SAUDI ARAMCO shall issue such check(s) at SAUDI ARAMCO’s offices in Saudi Arabia, or mail the check(s) to CONTRACTOR’s address.
  2. Without limitation, any fees or commissions charged by the CONTRACTOR’s bank related to a wire transfer will be at CONTRACTOR’s expense.

1. FINAL INVOICE PAYMENT
   1. Following Project Completion and after fulfillment by CONTRACTOR of all of its duties and obligations under this Contract, CONTRACTOR shall furnish SAUDI ARAMCO with:
      1. A Final Release Agreement (SA5715-3) discharging SAUDI ARAMCO from all liabilities, obligations and claims arising out of or under this Contract, except for final payment and any surviving obligations as defined in Schedule “A”.
      2. Proof satisfactory to SAUDI ARAMCO that there are no unsatisfied third party claims or other indebtedness existing in connection with the WORK (or if such claims or indebtedness exist, indemnities sufficient to hold SAUDI ARAMCO harmless from any liability connected with said claims or indebtedness);
      3. Tax certificates as required by Paragraph 3 of Schedule “F”;
      4. A General Organization for Social Insurance (GOSI) certificate confirming that CONTRACTOR has discharged its obligations to GOSI in accordance with Social Insurance Law; and
      5. A certification in the form set forth in Exhibit IV of this Schedule “C”, signed by an authorized CONTRACTOR’s officer, confirming that CONTRACTOR has complied with its obligations to compensate its employees and Subcontractors as required by Paragraph 13.6 of Schedule “A”.
   2. After SAUDI ARAMCO's receipt and acceptance of the foregoing documents SAUDI ARAMCO shall release the bank guarantee provided and any monies retained under Paragraph 6.5 of this Schedule “C”.
2. SAUDI ARAMCO’S AUDIT RIGHTS

CONTRACTOR and its Affiliates shall maintain, and shall cause Subcontractors to maintain, books, records, correspondence, instructions, plans, drawings, receipts, vouchers, memoranda and other evidence (the foregoing constitute “**records**” for the purpose of this Paragraph), according to such accounting procedures and practices as are satisfactory to SAUDI ARAMCO, sufficient to accurately and properly reflect costs incurred by CONTRACTOR and invoiced to SAUDI ARAMCO under this Contract and the disposition of any SAUDI ARAMCO-Supplied Materials and any SAUDI ARAMCO-Supplied Tools and Equipment. SAUDI ARAMCO, or any firm of auditors appointed by SAUDI ARAMCO, shall have access, at all reasonable times, to all such records for the purpose of auditing and verifying costs or for any other reasonable purpose, and shall have the right to reproduce any such records. CONTRACTOR shall preserve and make available, and shall cause its Affiliates and Subcontractors to preserve and make available, all such records for a period of two (2) years after Project Completion or termination of this Contract; provided, however, that if any such records are or may be required to resolve any Contractor Claim or arbitration, or any legal proceeding pursuant to this Contract, the rights of access and examination described in this Paragraph shall continue until final disposition of such Contractor Claim, arbitration, or legal proceeding.

1. SETOFF

SAUDI ARAMCO may deduct from amounts which are payable to CONTRACTOR under this Contract any amounts which are payable to SAUDI ARAMCO by CONTRACTOR under this or any other contract between them. Without limitation, SAUDI ARAMCO may deduct under this Contract for CONTRACTOR’s failure to fulfill its obligations hereunder, including but not limited to Saudization requirements.

1. PURCHASE OPTION

SAUDI ARAMCO may exercise an option to purchase the Contractor Camp facilities and/or Project Support Buildings by providing notice in writing to CONTRACTOR. The effective date of the purchase shall be the date that SAUDI ARAMCO provides notice of its option to purchase the Contractor Camp and/or Project Support Buildings. Upon the effective date of the purchase, CONTRACTOR shall take all actions and execute and deliver all documents necessary to transfer title to SAUDI ARAMCO. The fee for the Contractor Camp facilities and/or Project Support Buildings shall be as specified by the applicable line item in Exhibit I to Pricing Attachment I to Schedule “C”. The Parties agree that all rights and title to the Contractor Camp and/or Project Support Buildings shall vest fully with SAUDI ARAMCO upon payment of the fee specified in Exhibit I to Pricing Attachment I to Schedule “C” or as otherwise negotiated by the Parties if no fee is specified in Exhibit I to Pricing Attachment I to Schedule “C” for the purchase of the Contractor Camp and/or Project Support Buildings. If a fee for purchase of the Contractor Camp and/or Project Support Buildings is not specified in an applicable line item in Exhibit I to Pricing Attachment I to Schedule “C”, and should SAUDI ARAMCO exercise its option to purchase, CONTRACTOR and SAUDI ARAMCO shall negotiate the terms of purchase in good faith.

1. TRANSLATION

Because of the technical nature of Pricing Attachment I to Schedule “C”, it has not been translated into Arabic. CONTRACTOR and SAUDI ARAMCO agree to be bound by the English text.

END OF SCHEDULE C

EXHIBIT I

BANK GUARANTEE FOR

ADVANCE PAYMENT

The Treasurer

Saudi Arabian Oil Company

P O Box 5000

Dhahran 31311

Saudi Arabia

Gentlemen,

Pursuant to Paragraph 6.1 of Schedule “C” of Contract No. (the Contract) between (Contractor) and the Saudi Arabian Oil Company, (SAUDI ARAMCO), ( Name of Bank) (Guarantor) hereby irrevocably and unconditionally guarantees payment to SAUDI ARAMCO in accordance with the terms and conditions of this guarantee a maximum guaranteed amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (not to exceed 5% of the Lump Sum Contract Price).

Guarantor covenants as follows:

1. Should SAUDI ARAMCO in its sole judgment determine that Contractor has failed to perform according to the terms of the Contract, the Guarantor shall immediately pay to SAUDI ARAMCO without any reservation the amount SAUDI ARAMCO demands, notwithstanding objection by the Contractor. Such amount shall be paid upon SAUDI ARAMCO’s first written demand in the form attached hereto as Annex I, but shall not exceed in the aggregate the maximum guaranteed amount.
2. Upon SAUDI ARAMCO’s demand for payment made at least three (3) business days prior to the date payment hereunder is expected, payment shall be made to SAUDI ARAMCO of the amount demanded in immediately available funds, not later than 10.00 am, Saudi Arab time, on the day for which payment is demanded. The term “business day” shall mean a day on which banks are open for business in the city of Dammam.
3. Payments made hereunder shall be free and clear of, and without deduction for, any taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature, including Guarantor’s right of set-off.
4. The covenants hereof constitute unconditional and irrevocable direct obligations of Guarantor. No alteration in the terms of the Contract or of the work to be performed thereunder, no termination of the Contract and no act or omission by SAUDI ARAMCO that might otherwise discharge Guarantor, shall release Guarantor from any liability hereunder. The covenants hereof shall inure to the benefits of SAUDI ARAMCO’s successors or assigns.
5. This guarantee shall remain valid and in full force and effect until \_\_\_\_\_\_\_\_\_\_\_\_, 14 \_\_\_\_\_\_\_\_\_\_\_\_\_\_ corresponding to \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ and shall be automatically extended for successive periods of three (3) Gregorian months each, until Guarantor receives a letter from SAUDI ARAMCO stating that Contractor has earned the advance payment(s) according to the terms of the Contract.
6. Guarantor represents and covenants that the amount of this guarantee, when added to any other financial liability incurred by the Guarantor in respect of the Contractor, does not exceed twenty-five percent (25%) of the aggregate amount of the Guarantor’s reserves and paid-in capital.
7. All notices to SAUDI ARAMCO concerning this guarantee shall be sufficient when delivered in person or sent by registered mail to the Treasurer at the address set forth above, or sent by facsimile to +966 13 873-2572/875-3473.
8. This guarantee sets forth the full terms of the Guarantor’s undertaking in relation to the above. Such undertaking shall not be modified, annulled or amplified by reference to any other document referred to herein or to which this guarantee relates and any such reference shall not be deemed to incorporate such document herein.
9. This guarantee is governed by, and shall be construed exclusively in accordance with, the laws and regulations of the Kingdom of Saudi Arabia.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Authorized Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Title)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Date)

ANNEX 1

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

(Name and Address of Bank)

Re: Bank Guarantee for Advance Payment(s)

Agreement No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gentlemen,

Please be advised that SAUDI ARAMCO demands payment of the above referenced guarantee in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in accordance with the terms thereof no later than 10:00 am on (date). One of the following payment methods shall be specified by SAUDI ARAMCO:

1. Make the check payable to the Saudi Arabian Oil Company for pick-up by our representative (name).
2. Transfer the amount to Account (No. and Name) maintained at your bank and provide SAUDI ARAMCO with a credit advice.
3. Transfer the amount to Account (No. and Name) maintained at your bank and provide SAUDI ARAMCO with a copy of the transfer instructions.

Treasurer

Saudi Arabian Oil Company

EXHIBIT II

BANK GUARANTEE FOR

ADVANCE PAYMENT(S) FOR MATERIALS

The Treasurer

Saudi Arabian Oil Company

P O Box 5000

Dhahran 31311

Saudi Arabia

Gentlemen,

Pursuant to Paragraph 6.4 of Schedule “C” of Contract No. (the Contract) between (Contractor) and the Saudi Arabian Oil Company, (SAUDI ARAMCO), ( Name of Bank) (Guarantor) hereby irrevocably and unconditionally guarantees payment to SAUDI ARAMCO in accordance with the terms and conditions of this guarantee a maximum guaranteed amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Guarantor covenants as follows:

1. Should SAUDI ARAMCO in its sole judgment determine that Contractor has failed to perform according to the terms of the Contract, the Guarantor shall immediately pay to SAUDI ARAMCO without any reservation the amount SAUDI ARAMCO demands, notwithstanding objection by the Contractor. Such amount shall be paid upon SAUDI ARAMCO’s first written demand in the form attached hereto as Annex I, but shall not exceed in the aggregate the maximum guaranteed amount.
2. Upon SAUDI ARAMCO’s demand for payment made at least three (3) business days prior to the date payment hereunder is expected, payment shall be made to SAUDI ARAMCO of the amount demanded in immediately available funds, not later than 10.00 am, Saudi Arab time, on the day for which payment is demanded. The term “business day” shall mean a day on which banks are open for business in the city of Dammam.
3. Payments made hereunder shall be free and clear of, and without deduction for, any taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature, including Guarantor’s right of set-off.
4. The covenants hereof constitute unconditional and irrevocable direct obligations of Guarantor. No alteration in the terms of the Contract or of the work to be performed thereunder, no termination of the Contract and no act or omission by SAUDI ARAMCO that might otherwise discharge Guarantor, shall release Guarantor from any liability hereunder. The covenants hereof shall inure to the benefits of SAUDI ARAMCO’s successors or assigns.
5. This guarantee shall remain valid and in full force and effect until \_\_\_\_\_\_\_\_\_\_\_\_, 14 \_\_\_\_\_\_\_\_\_\_\_\_\_\_ corresponding to \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ and shall be automatically extended for successive periods of three (3) Gregorian months each, until Guarantor receives a letter from SAUDI ARAMCO stating that Contractor has earned the advance payment(s) according to the terms of the Contract.
6. Guarantor represents and covenants that the amount of this guarantee, when added to any other financial liability incurred by the Guarantor in respect of the contractor, does not exceed twenty-five percent (25%) of the aggregate amount of the Guarantor’s reserves and paid-in capital.
7. All notices to SAUDI ARAMCO concerning this guarantee shall be sufficient when delivered in person or sent by registered mail to the Treasurer at the address set forth above, or sent by facsimile to +966 13 873-2572/875-3473.
8. This guarantee sets forth the full terms of the Guarantor’s undertaking in relation to the above. Such undertaking shall not be modified, annulled or amplified by reference to any other document referred to herein or to which this guarantee relates and any such reference shall not be deemed to incorporate such document herein.
9. This guarantee is governed by, and shall be construed exclusively in accordance with, the laws and regulations of the Kingdom of Saudi Arabia.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Authorized Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Title)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Date)

ANNEX 1

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

(Name and Address of Bank)

Re: Bank Guarantee for Advance Payment(s)

Agreement No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gentlemen,

Please be advised that SAUDI ARAMCO demands payment of the above referenced guarantee in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in accordance with the terms thereof no later than 10:00 am on (date). One of the following payment methods shall be specified by SAUDI ARAMCO:

1. Make the check payable to the Saudi Arabian Oil Company for pick-up by our representative (name).

2. Transfer the amount to Account (No. and Name) maintained at your bank and provide SAUDI ARAMCO with a credit advice.

3. Transfer the amount to Account (No. and Name) maintained at your bank and provide SAUDI ARAMCO with a copy of the transfer instructions.

Treasurer

Saudi Arabian Oil Company

EXHIBIT III

BANK GUARANTEE IN

LIEU OF RETENTION

The Treasurer

Saudi Arabian Oil Company

Box

Dhahran

Saudi Arabia

Gentlemen:

We refer you to the above referenced contract (the "Contract"), entered into as of \_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by and between the Saudi Arabian Oil Company ("SAUDI ARAMCO") and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_("Contractor") for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

For the account of Contractor, (Name of Bank) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Guarantor") hereby irrevocably and unconditionally guarantees the payment to SAUDI ARAMCO of an amount up to but not exceeding \_\_\_\_\_\_\_\_\_ as and when demanded by you.

Guarantor covenants as follows:

1. Upon SAUDI ARAMCO’s first written demand, the Guarantor shall immediately pay to SAUDI ARAMCO without any reservation the amount SAUDI ARAMCO demands, notwithstanding objection by the Contractor. The amount payable to SAUDI ARAMCO under this guarantee shall not exceed in the aggregate the above-mentioned amount.
2. Upon SAUDI ARAMCO’s demand for payment made at least three (3) business days prior to the date payment hereunder is expected, payment shall be made to SAUDI ARAMCO of the amount demanded in immediately available funds, not later than 10.00 am, Saudi Arab time, on the day for which payment is demanded. The term “business day” shall mean a day on which banks are open for business in the city of Dammam.
3. Payments made hereunder shall be free and clear of, and without deduction for, any taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature, including Guarantor’s right of set-off.
4. The covenants hereof constitute unconditional and irrevocable direct obligations of Guarantor. No alteration in the terms of the Contract or of the work to be performed thereunder, no termination of the Contract and no act or omission by SAUDI ARAMCO that might otherwise discharge Guarantor, shall release Guarantor from any liability hereunder. The covenants hereof shall inure to the benefits of SAUDI ARAMCO’s successors and assigns.
5. This guarantee shall remain valid and in full force and effect until \_\_\_\_\_\_\_\_\_\_\_\_, 14 \_\_\_\_\_\_ corresponding to \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ and shall be automatically extended for successive periods of three (3) Gregorian months each, until Guarantor receives written notice from SAUDI ARAMCO stating that all matters under the Contract have been formally and finally settled between SAUDI ARAMCO and Contractor.
6. Guarantor represents and covenants that the amount of this guarantee, when added to any other financial liability incurred by the Guarantor in respect of the Contractor, does not exceed twenty-five percent (25%) of the aggregate amount of the Guarantor’s reserves and paid-in capital.
7. All notices to SAUDI ARAMCO concerning this guarantee shall be sufficient when delivered in person or sent by registered mail to the Treasurer at the address set forth above, or sent by facsimile to +966 13 873-2572/875-3473.
8. This guarantee sets forth the full terms of the Guarantor’s undertaking in relation to the above. Such undertaking shall not be modified, annulled or amplified by reference to any other document referred to herein or to which this guarantee relates and any such reference shall not be deemed to incorporate such document herein.
9. This guarantee is governed by, and shall be construed exclusively in accordance with, the laws and regulations of the Kingdom of Saudi Arabia.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Authorized Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Title)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Date)

ANNEX 1

Date:

(Name and Address of Bank)

Re: Bank Guarantee in Lieu of Retention

Agreement No.

Gentlemen,

Please be advised that SAUDI ARAMCO demands payment of the above referenced guarantee in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in accordance with the terms thereof no later than 10:00 am on (date). One of the following payment methods shall be specified by SAUDI ARAMCO:

1. Make the check payable to the Saudi Arabian Oil Company for pick-up by our representative (name).
2. Transfer the amount to Account (No. and Name) maintained at your bank and provide SAUDI ARAMCO with a credit advice.
3. Transfer the amount to Account (No. and Name) maintained at your bank and provide SAUDI ARAMCO with a copy of the transfer instructions.

Treasurer

Saudi Arabian Oil Company

EXHIBIT IV

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Company Representative

Attn.: XXXXXXXXXXXXXX

SAUDI ARABIAN OIL COMPANY

Dhahran, Saudi Arabia

In the matter of Contract 66000XXXXX dated the day of , 20\_, between SAUDI ARAMCO and [Insert Name of Contractor] referred to as (the CONTRACTOR). I, [Insert Officer Name], do certify that:

1. I am an Officer of [Insert Name of Contractor], and as such I have full knowledge of all the facts herein set forth;

*[CONTRACTOR shall select the statement that reflects the status of CONTRACTOR’s obligations to compensate its employees and Subcontractors]*

1. CONTRACTOR has paid all of the currently owed salaries and benefits for CONTRACTOR’s employees and all CONTRACTOR’s due and payable invoices from its Subcontractors.
2. CONTRACTOR has not paid all of the currently owed salaries and benefits for CONTRACTOR’s employees and all CONTRACTOR’s due and payable invoices from its Subcontractors. The list of CONTRACTOR’s unpaid or delayed payments (for more than thirty (30) consecutive calendar days) to CONTRACTOR’s employees and/or Subcontractors, with a clear indication of the reasons for the delay, and the actions taken to resolve the delayed payment is attached hereto as Annex I.

I make this certification conscientiously believing it to be true, and knowing it is of the same force and effect as if made under oath.

Yours truly,

[Insert Officer Name]

[Insert Name of Contractor]