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## F. Termination and Settlement of Disputes

89. Termination	<p><b>89.1 Termination for Default</b></p> <p>(a) The PE or the Contractor, without prejudice to any other remedy for breach of Contract, by giving twenty eight (28) days written notice of default to the other party, may terminate the Contract in whole or in part if the other party causes a fundamental breach of Contract.</p> <p>(b) Fundamental breaches of the Contract shall include, but shall not be limited to, the following:</p> <p>(i) the Contractor stops work for twenty-eight (28) days when no stoppage of work is shown on the current Programme and the stoppage has not been authorized by the Project Manager;</p> <p>(ii) the Project Manager instructs the Contractor to delay the progress of the Works, and the instruction is not withdrawn within eighty four ( 84) days;</p> <p>(iii) the Project Manager gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Project Manager;</p> <p>(iv) the Contractor does not maintain a Security, which is required;</p> <p>(v) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of Liquidated Damages can be paid, as specified in GCC Sub Clause 73;</p> <p>(vi) the Contractor has subcontracted the whole of the Works or has assigned the Contract without the required agreement and without the approval of the Project Manager;</p> <p>(vii) the Contractor, in the judgment of the PE has engaged in corrupt or fraudulent practices, as defined in GCC Sub Clause 39, in competing for or in executing the Contract.</p> <p>(viii) A payment certified by the Project Manager is not paid by the PE to the Contractor within eighty-four (84) days of the date of the Project Manager's certificate.</p>
	<p><b>89.3 Termination for Convenience</b></p> <p>(a) The PE, by giving twenty eight (28) days written notice sent to the Contractor, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the PE's convenience, the extent to which performance of the Contractor under the Contract is terminated, and the date upon which such termination becomes effective.</p> <p>(b) The PE shall not terminate the contract under GCC Sub Clause 89.3 (a) in order to execute the Works itself or to arrange for the Works to be executed by another contractor or to avoid a termination of the Contract by the Contractor as stated under GCC Sub Clause 89.1(a).</p>
	<p><b>89.2 Termination for Insolvency</b></p> <p>The PE and the Contractor may at any time terminate the Contract by giving twenty eight (28) days written notice to the other party if either of the party becomes bankrupt or otherwise insolvent. In such event, termination will be without compensation to any party, provided that such termination will not prejudice or affect any right of action or remedy that has accrued or will accrue thereafter to the other party.</p>
	<p><b>89.4 In the event the PE terminates the Contract in whole or in part, the PE shall accept the portion of the Works that are complete and ready for handing over after the Contractor's receipt of notice of termination of the Contract. For the remaining portion of the Works, the PE may elect:</b></p> <p>(a) to have any portion completed by the Contractor at the Contract terms and prices; and /or</p> <p>(b) to cancel the remainder and pay to the Contractor an agreed amount for partially completed Works and for materials and parts previously procured by the Contractor, or</p> <p>(c) except in the case of termination for convenience as stated under GCC Sub Clause 89.3., engage another Contractor to complete the Works, and in that case the Contractor shall be liable to the PE for any cost that may be incurred in excess of the sum that would have been paid to the Contractor, if the work would have been executed and completed by him or her.</p>
90. Payment upon Termination	<p><b>90.1 If the Contract is terminated because of a fundamental breach of Contract under GCC Sub Clause 89.1 by the Contractor, the Project Manager shall issue a certificate for the value of the Works done and Plant and Materials ordered less advance payments received up to the date of the issue of the certificate and less the amount from percentage to apply to the contract value of the works not completed, as indicated in the PCC. If the total amount due to the PE exceeds any payment due to the Contractor, the difference shall be a debt payable to the PE.</b></p>
	<p><b>90.2 If the Contract is terminated for the PE's convenience or because of a fundamental breach of Contract by the PE, the Project Manager shall issue a payment certificate for the value of the work done, Materials ordered, the reasonable cost of removal of Equipment, repatriation of the Contractor's foreign personnel employed solely on the Works and recruited specifically for the Works, and the Contractor's costs of protecting and securing the Works, and less advance payments received up to the date of the certificate.</b></p>
	<p><b>90.3 If the Contract is terminated for reasons of Force Majeure, the Project Manager shall determine the value of the work done and issue a Payment Certificate which shall include:</b></p> <p>(a) the amounts payable for any work carried out for which unit rates or prices are stated in the Contract;</p> <p>(b) the cost of Plant and Materials ordered for the Works which have been delivered to the Contractor, or of which the Contractor is liable to accept delivery: this Plant and Materials shall become the property of (and be at the risk of) the PE when paid for by the PE, and the Contractor shall place the same at the PE's disposal;</p>

	<p>(c) other costs or liabilities which in the circumstances were reasonably and necessarily incurred by the Contractor in the expectation of completing the Works;</p> <p>(d) the cost of removal of Temporary Works and Contractor's Equipment from the Site; and</p> <p>(e) the cost of repatriation of the Contractor's staff and labour employed wholly in connection with the Works at the date of termination.</p>
91. Property	91.1 All Materials on the Site, Plant, Equipment, Temporary Works, and Works shall be deemed to be the property of the PE if the Contract is terminated because of the Contractor's default stated under GCC Sub Clause 89.1.
92. Frustration	92.1 If the Contract is frustrated by the occurrence of a situation of Force Majeure as defined in GCC Sub Clause 85, the Project Manager shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all works carried out before receiving it and for any work carried out afterwards to which a commitment was made.

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