4. General Conditions of Contract (GCC)
## SUMMARY

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1. Definitions 1.1 In this Contract, the following terms shall be interpreted as indicated:
   (a) “The Contract” means the agreement entered into between the Purchaser and the Supplier, as recorded in the Contract Agreement signed by the both parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
   (b) “The Contract Price” means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
   (c) “The Goods” means all of the equipment, machinery, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract.
   (d) “Related Services” means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
   (e) “GCC” means the General Conditions of Contract contained in this section.
   (f) “The Purchaser” means the organization purchasing the Goods and Related Services, as named in SCC.
   (g) “The Purchaser’s country” is the Hashemite Kingdom of Jordan.
   (h) “The Supplier” means the individual, firm or consortium of firms supplying the Goods and Related Services under this Contract, as named in SCC.
   (j) “The Project Site”, where applicable, means the place or places named in SCC.
   (k) “Day” means calendar day.
   (l) “Italian Agent Bank” means the financial institution that will be involved in the payment operations, as named in SCC.

2. Application 2.1 These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of the Contract.

3. Country of Origin 3.1 The tender is reserved to Italian enterprises only. The Goods and Services to be supplied under the Contract must have their origin in Italy or supplied through Italian companies for at least 85% (eight five) of the overall Contract Price, where the country of origin is limited to European Union, Canada, Japan or the USA, provided Goods of Italian origin should amount for no less than 10% of the overall Contract Price. The remaining Goods and Services 15% (fifteen) supplied under the Contract may have their origin in Jordan, and/or in other developing countries.

3.2 For purposes of this Clause, “origin” means the place where the
Goods were mined, grown, or produced, or from which the Services are supplied. Goods are produced when, through manufacturing, processing, or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

3.3 The origin of Goods and Services is distinct from the nationality of the Supplier.

4. Standards

4.1 The Goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods’ country of origin. Such standards shall be the latest issued by the concerned institution.

5. Use of Contract Documents and Information, Inspection and Audit by DGCS

5.1 The Supplier shall not, without the Purchaser’s prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Supplier in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

5.2 The Supplier shall not, without the Purchaser’s prior written consent, make use of any document or information enumerated in GCC Sub-Clause 5.1 except for purposes of performing the Contract.

5.3 Any document, other than the Contract itself, enumerated in GCC Sub-Clause 5.1 shall remain the property of the Purchaser and shall be returned (in all copies) to the Purchaser on completion of the Supplier's performance under the Contract if so required by the Purchaser.

5.4 The Supplier shall permit DGCS to inspect the Supplier's accounts and records relating to the performance of the contract and to have them audited by the auditors appointed by DGCS, if so required by DGCS.

6. Patent Rights

6.1 The Supplier shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof in the Purchaser country.

7. Performance Security

7.1 Upon DGCS and Jordanian Authorities “no-objection” to the Contract, the Purchaser will notify in writing the Supplier. Within 30 (thirty) calendar days from the receipt of such notification, the Supplier shall send a written confirmation, together with the Performance Security, to the Purchaser. The amount of the Performance Security is specified in SCC.

7.2 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.
7.3 The performance security shall be denominated in the currency of the Contract, as indicated in the SCC, and shall be in one of the form of a bank guarantee issued by: (i) a reputable bank located in Italy or, (ii) a reputable bank abroad acceptable to the Purchaser through a reputable Bank located in the European Union countries, in the form provided in the Section 8, Sample Form No. 6.

7.4 The performance security will be discharged by the Purchaser and returned to the Supplier not later than 30 (thirty) calendar days following the date of completion of the Supplier's performance obligations under the Contract, including any warranty period according to GCC Clause 15.

8. Inspections and Tests

8.1 The Purchaser shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Purchaser. The SCC and the Technical Specifications shall specify what inspections and tests the Purchaser requires and where they are to be conducted. The Purchaser shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.

8.2 The inspections and tests may be conducted on the premises of the Supplier or its subcontractor/s, at point of delivery, and/or at the Goods' final destination. If conducted on the premises of the Supplier or its subcontractor/s, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Purchaser.

8.3 Should any inspected or tested Goods fail to conform to the Specifications, the Purchaser may reject the Goods, and the Supplier shall either replace the rejected Goods or make alterations necessary to meet specification requirements free of cost to the Purchaser.

8.4 The Purchaser’s right to inspect, test and, where necessary, reject the Goods after the Goods' arrival in the Purchaser country shall in no way be limited or waived by reason of the Goods having previously been inspected, tested, and passed by the Purchaser or its representative prior to the Goods' shipment from the country of origin.

8.5 Nothing in GCC Clause 8 shall in any way release the Supplier from any warranty or other obligations under his Contract.

8.6 The Supplier shall have the manufacturer, before making delivery, carry out a precise and comprehensive inspection of the Goods regarding quality, specification, performance, quantity and weight and issuance a Quality and Quantity Certificate certifying that the Goods are in conformity with the stipulations in the Contract. The Quality and Quantity Certificate shall form an integral part of the documents to be presented for payment, but shall not be regarded as final with respect to quality, specification, performance, quantity and weight. Particulars and results of the tests made by the manufacturer shall be shown in a statement to be attached to the
8.7 After arrival of the Goods at the Project Site, the Purchaser shall apply for the local branch of General Administration of Quality Supervision Inspection and Quarantine of the Government of Hashemite Kingdom of Jordan (hereinafter called the “Inspection Authority”) for inspection of the Goods with respect to quality, specification, quantity and weight and a Post-delivery Inspection Certificate shall be issued therefore. Should the Inspection Authority find any discrepancies are found by regarding specification or quantity or both, the Purchaser shall have the right to make a claim against the Supplier within 90 (ninety) calendar days after arrival of the Goods at the site. In case there will be more than one delivery of the Goods, the inspection operations described here above can take place after each arrival. After the issuance of the Post-Delivery Certificate by the Inspection Authority the Purchaser shall issue a Cargo Receipt to the Supplier.

8.8 If, during the warranty period specified in GCC Sub-Clause 15.2 and as a result of inspection by the Inspection Authority or otherwise, it is found that the quality or specifications of the Goods are not in conformity with the Contract or if the Goods are proven to be defective for any reason, including latent defects or the use of unsuitable materials, the Purchaser shall promptly notify the Supplier of the existence of a claim.

8.9 If, upon expiry of the warranty period or, where there is more than one such period, upon expiry of the latest period, and when all defects or damage have been rectified, it is found that the quality and the specification of the Goods are in conformity with the Contract and the Goods are proved not to be defective, the Purchaser will issue a Final Acceptance Certificate to the Supplier no later than 30 (thirty) calendar days after expiry of the warranty period. The Contract shall not be considered to have been performed in full until the Final Acceptance Certificate has been issued.


9.1 Unless otherwise specified in the Contract, the Goods shall be packed by the Supplier in new and strong wooden cases and necessary measures shall be taken to protect the Goods from moisture, rain, rust, corrosion, shock and damages so as to make the Goods withstand numerous handling, loading and unloading as well as long distance ocean and inland transportation.

9.2 The wood packaging shall be treated against pests by the enterprises approved by the phytosanitary organization in exporting countries or areas in accordance with the requirements of International Plant Protection Convention (IPPC) and carried with special mark of IPPC, which shall be legible, permanent and not transferable and placed in the visible place on at least two opposite sides (The use of red or orange for the special mark should be avoided). The measure/s against pests and the special mark shall
satisfy the approved requirements of phytosanitary treatment/s against pests and the special mark by State General Administration of Quality Supervision, Inspection and Quarantine of the **Government of Hashemite Kingdom of Jordan**. In case the local phytosanitary branch finds through quarantine measures that the wood packaging does not carry with the required special mark, the mark does not satisfy the requirements or live pests are intercepted, the Supplier shall pay for all the expenses of treatments against pests, replace or destroy the packaging or transport back at the port of unloading and shall compensate the Purchaser for all the expenses, costs and damages thus incurred.

**9.3** The Supplier shall provide among other shipping documents, in case of wood packaging, a written statement confirming that the wood packaging has been treated against pests and the special mark of IPPC has been placed properly by the enterprises approved by the phytosanitary organization in exporting country or area in accordance with the requirements of IPPC and indicating ISO two-letter country code, the unique number assigned to the producer of the wood packaging material approved by the phytosanitary organization in exporting countries or areas and IPPC abbreviation for the approved measure against pests (e.g. HT, MB) used in the special mark of IPPC on the wood packaging;

**9.4** In case of container transportation, the Supplier shall examine the conditions of the containers before packing so that only those in good conditions shall be used for delivery of the Goods. Sufficient shores or chocks shall be provided in order to prevent the Goods from moving inside the containers. The Supplier shall be liable for any damage to the Goods thus incurred due to the negligence of the Supplier.

**9.5** The following documents shall be enclosed in each package of the Goods:

(a) 2 (two) duplicates of detailed Packing List;
(b) 2 (two) duplicates of Quality and Quantity Certificate;
(c) 1 (one) copy of technical documents for relevant Goods;
(d) 2 (two) copies of installation and assembling drawings for relevant Goods.
(e) 1 (one) copy of the manual/s relevant to the delivered Goods.

**9.6** The loose accessories in package or bundle or in containers shall be labelled by the Supplier, indicating Contract number, name of main machine, name of accessories and its position number and accessory number on assembling drawings. Spare parts and tools shall be marked with the words “spare parts” or “tools” at least on two sides of the package.
9.7 The Supplier shall, on four (4) adjacent sides of each package, mark conspicuously the following items in English with indelible paint:
A. Contract No.;
B. Shipping marks as specified in SCC;
C. Destination;
D. Consignee;
E. Name of the equipment and Item No.;
F. Case No./ Bale No.;
G. Gross/Net weight (kg);
H. Measurement (length × width × height in cm).

9.8 In accordance with the requirements in loading, unloading and shipping of the Goods, the package shall be conspicuously marked in English with “HANDLE WITH CARE”, “RIGHT SIDE UP”, “KEEP DRY” and other illustrative terms appropriate in international transportation. Should the Goods weigh two (2) or over two (2) metric tons, the weight, gravity centre and hoisting position thereof shall be marked. The above-mentioned contents shall be indicated on that equipment without packing with metal labels. For those large pieces on deck, sufficient shores or chocks should be provided.

9.9 If the Goods are damaged or lost due to improper packing and/or inadequate protective measures, the Supplier shall be responsible for repair, replacement and/or compensation in accordance with the Contract. Should the Goods be mistransported due to the mistake or ambiguousness in package and/or shipping marks, the Supplier shall bear the additional transportation expenses thus incurred.

10. Delivery and Documents
10.1 The Supplier shall make delivery of the Goods in accordance with the time frames specified in the Schedule of Requirements. The details of shipment are specified in SCC.

10.2 For purposes of the Contract, “EXW”, “FOB”, “FCA”, “CIF”, “CIP”, “DDU” and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the current edition of Incoterms published by the International Chamber of Commerce, Paris.

10.3 At least 10 (ten) working days before arrival of the Goods to the port of destination, the Supplier shall send to the Purchaser the shipping documents indicated in the SCC. If the Supplier fails to submit the Shipping Documents to the Purchaser in time and/or these documents are ineligible and/or incomplete, all the costs thus incurred at the Port of Destination including, but not limited to, storage expenses and overdue fine, shall be borne by the Supplier. In case the Supplier is liable for paying the withholding taxes, liquidated damage and/or compensation under the Contract, the Purchaser has the right to deduct such amount from any payment due.

11. Insurance
11.1 Unless otherwise specified in the SCC, the Goods supplied under
the Contract shall be fully insured - in a freely convertible currency from an eligible country - against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery, in accordance with the current edition of *Incoterms* or in the manner specified in the SCC.

12. Transportation

12.1 Where the Supplier is required under the Contract to deliver the Goods FOB, transport of the Goods, up to and including the point of putting the Goods on board the vessel at the specified port of loading, shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price. Where the Supplier is required under the Contract to deliver the Goods FCA, transport of the Goods and delivery into the custody of the carrier at the place named by the Purchaser or other agreed point shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price.

12.2 Where the Supplier is required under the Contract to deliver the Goods CIF or CIP, transport of the Goods to the port of destination or such other named place of destination in the Purchaser country, as shall be specified in the Contract, shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price.

12.3 Where the Supplier is required under the Contract to transport the Goods to a specified place of destination within the Purchaser’s country, defined as the Project Site, transport to such place of destination in the Purchaser’s country, including insurance and storage, as shall be specified in the Contract, shall be arranged by the Supplier, and the related costs shall be included in the Contract Price.

12.4 Where the Supplier is required under the Contract to deliver the Goods CIF or CIP or DDU, no restriction shall be placed on the choice of the carrier. Where the Supplier is required under the Contract (a) to deliver the Goods FOB or FCA, and (b) to arrange on behalf and at the expense of the Purchaser for international transportation on specified carriers or on national flag carriers of the Purchaser country, the Supplier may arrange for such transportation on alternative carriers if the specified carriers or national flag carriers are not available to transport the Goods within the period/s specified in the Contract.

13. Incidental Services

13.1 The Supplier shall provide the incidental services specified in SCC/Technical Specifications;

13.2 Prices charged by the Supplier for incidental services, if not included in the Contract Price for the Goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar Services.

13.3 The price quoted in the bid or agreed upon by the Parties for performing the required incidental services shall be included in the Contract Price
14. **Spare Parts**

14.1 As specified in **SCC**, the Supplier may be required to provide any or all of the following materials, notifications and information pertaining to spare parts manufactured or distributed by the Supplier:

- (a) such spare parts as the Purchaser may elect to purchase from the Supplier, provided that this election shall not relieve the Supplier of any warranty obligations under the Contract; and

- (b) in the event of termination of production of the spare parts:
  - (i) advance notification to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure needed requirements; and
  - (ii) following such termination, furnishing at no cost to the Purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

14.2 The Supplier shall provide the required spare parts in accordance with the provisions of the SCC/Technical Specifications.

15. **Warranty**

15.1 The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models and that they incorporate all recent improvements in design and materials unless provided otherwise in the Contract. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the Purchaser specifications) or from any act or omission of the Supplier, that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.

15.2 The warranty shall remain valid for the number of months specified in the **SCC**.

15.3 The Purchaser shall promptly notify the Supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the Supplier shall, within the period specified in **SCC** and with all reasonable speed, repair or replace the defective Goods or parts thereof, without costs to the Purchaser.

15.5 If the Supplier, having been notified, fails to remedy the defect/s within the period specified in the above GCC Sub-Clause 15.4, the Purchaser may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

16. **Claims**

16.1 In case the Supplier is liable for the discrepancies and a claim is lodged by the Purchaser within the time limit of inspection, erection, commissioning, acceptance test and the warranty period as stipulated in **GCC Clause 15** or elsewhere in the Contract, the Supplier shall settle the claim with the agreement of the Purchaser in one or a combination of the following ways:

- (a) Agree to the rejection of the Goods and refund to the
Purchaser the value of the Goods so rejected in the same currency as specified in the Contract and to bear the losses and expenses incurred including interest, accrued banking charges, freight and insurance premiums, inspection charges, storage, stevedore charges and other necessary expenses required for the custody and protection of the rejected Goods;

(b) Devalue the Goods according to the degree of inferiority extent of damage and amount of losses suffered by the Purchaser, as agreed between the Purchaser and the Supplier;

(c) Replace the defective Goods with new parts, components and/or equipment which conform to the specifications, quality and performance as specified in the Contract, and/or repair the defective Goods at the Supplier's expenses and risks and bear all directly related expenses sustained by the Purchaser. The Supplier shall at the same time guarantee the quality of the replaced Goods for a further corresponding period according to GCC Sub-Clause 15.2.

16.2 In case the Supplier fails to reply within 15 (fifteen) calendar days after notification of the Purchaser claim, the above mentioned claims shall be regarded as being accepted by the Supplier. If the Supplier fails to resolve the claim in any of the ways described above as agreed with the Purchaser within 30 (thirty) days after notification of the claim/s by the Purchaser or longer period of time agreed upon by the Purchaser, the Purchaser will proceed to recover the claimed amount from the payment under negotiation or from the Performance Security established by the Supplier.

17. Payment

17.1 The method and conditions of payment under the Contract shall be specified in the SCC.

17.2 The currency or currencies in which payment is made to the Supplier under this Contract shall be specified in SCC subject to the following general principle: payment will be made in the currency or currencies in which the payment has been requested in the Supplier's bid.

17.3 The Authorization of Payment shall be issued promptly by the Purchaser, but in no case later than sixty (60) days after the Contractual Documentation have been received and found in order by Purchaser.

18. Prices

18.1 Prices charged by the Supplier for the Goods delivered and the Related Services performed under the Contract shall not vary from the prices indicated in SCC.

19. Change Orders

19.1 The Purchaser may at any time, by a written order given to the Supplier pursuant to GCC Clause 32, make changes within the general scope of the Contract in supply and service, and work contracts.
19.2 Modifications of supply and service contracts shall be effective upon MAE-DGCS prior authorization, which may only be granted in the following cases:

(a) modifications of applicable laws and regulations;
(b) unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technology not existing when the award procedure was commenced, provided that the modifications ameliorate the quality of the performance, without increasing the contract total amount;
(c) events related to the nature or the quality of the goods or places where the contract activities take place, which occur during the contract execution and were unforeseeable when the contract was made;
(d) unless otherwise provided, the above-mentioned modifications may not increase or reduce the total contract amount beyond 20%;
(e) modifications, which, in the interest of the contracting authority, increase or reduce the total contract amount, necessary to improve the quality and performance of the project are allowed up to 5%, provided that the funding is available and no substantial modification is made; the modifications shall be only due to objective reasons, unforeseeable when the contract was made;
(f) contractors may not refuse the above-mentioned modifications; such modifications shall be executed at the same contractual conditions;
(g) contractors shall execute any non-substantial modification that the contracting authority may see fit, provided that the nature of the activity is not fundamentally altered and no additional costs are imposed.

19.3 Modifications of works contracts shall be effective upon MAE-DGCS prior authorization, which may only be granted in the following cases:

(a) modifications of applicable laws and regulations;
(b) unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technology not existing when the project was made, provided that the modifications ameliorate the quality of the performance, without altering the initial project and without increasing the contract total amount;
(c) events related to the specific nature of the contract activities which occur during the contract execution;
(d) geological problems not predictable in the executive project;
(e) errors or omissions of the project which prevent the contract implementation; in this case, the engineering consultants are responsible for the damages; the contractor may not refuse to perform such modifications if their value do not exceed 20% of the total contract amount;
(f) modifications, which increase or reduce the total contract amount, necessary to improve the quality and performance of the
project are allowed up to 5%, provided that the funding is available.

19.4 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or delivery schedule, or both, and the Contract shall accordingly be amended, subject to prior no objection from DGCS. Any claims by the Supplier for adjustment under this Clause must be asserted within 30 (thirty) calendar days from the date of the Supplier's receipt of the Purchaser change order.

19.5 Whatever the source of financing for any increased cost, DGCS will no object only if modifications do not increase or reduce the total contract amount beyond 20% (twenty), provided they are justified by unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technologies that ameliorate the quality of the performance.

20. Contract Amendments

20.1 Subject to GCC Clause 19, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties, after no objection from DGCS.

21. Assignment

21.1 The Supplier shall not assign, in whole or in part, its obligations to perform under this Contract to a third party.

22. Subcontracts

22.1 Subcontract is allowed up to an amount of 30% of the total contract amount. The bidding documents must specify if subcontract is allowed and the conditions thereof. Upon submitting their bids, bidders must declare which supplies/services/works they intend to subcontract. Contractors must deposit subcontracts with the contracting authority at least 20 days before commencing the execution of the subcontracts. Subcontractors must be eligible for the supplies/services/works they are assigned.

22.2 Subcontracts must comply with the provisions of GCC Clause 3.

23. Delays in the Supplier's Performance

23.1 Delivery of the Goods and performance of Services shall be made by the Supplier in accordance with the time schedule prescribed in the Schedule of Requirements.

23.2 If at any time during performance of the Contract, the Supplier or its subcontractor/s should encounter conditions impeding timely delivery of the Goods and performance of Services, the Supplier shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause/s. As soon as practicable after receipt of the Supplier's notice, the Purchaser shall evaluate the situation and may at its discretion extend the Supplier's time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

23.3 Except as provided under GCC Clause 26, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 24, unless an extension of time is agreed upon pursuant to GCC Sub-Clause 23.2 without the application of
24. **Liquidated Damages**

24.1 Subject to **GCC Clause 26**, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period/s specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in **SCC** of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in **SCC**. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause 25.

25. **Termination for Default**

25.1 The Purchaser, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate this Contract in whole or in part:

(a) if the Supplier fails to deliver any or all of the Goods, within the period/s allowed specified in the Contract or within any extension thereof granted by the Purchaser pursuant to GCC Clause 23;

(b) if the Supplier fails to perform any other obligation/s under the Contract.

(c) if the Supplier, in the judgment of the Purchaser has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

(d) If the Supplier, in the judgement of the Purchaser is in any of the situations indicated in GCC Clause 35.

For the purpose of this Clause: “corrupt practices” means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution. “Fraudulent practices” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition.

25.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Sub-Clause 25.1, the Purchaser may procure, upon such terms and in such manner, as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Purchaser for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.

26. **Force Majeure**

26.1 Notwithstanding the provisions of GCC Clauses 23, 24 and 25, the Supplier shall not be liable for the forfeiture of its Performance Security, liquidated damages, or termination for default if and to the
extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

26.2 For purpose of this Clause, “Force Majeure” means an event beyond the control of the Supplier and not involving the Supplier's fault or negligence and not foreseeable. Such events may include, but are not limited to, wars, serious fire, flood, typhoon and earthquake and other cases agreed upon by both parties.

26.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. Should the effect of a Force Majeure event continue for more than one hundred and twenty (120) consecutive days, both parties shall reach an agreement concerning the further execution of the Contract through amicable negotiation and reach an agreement within a reasonable time.

27. Termination for Insolvency

27.1 The Purchaser may at any time terminate the Contract by giving written notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Purchaser.

28. Termination for Convenience

28.1 The Purchaser, by written notice sent to the Supplier, 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 Purchaser convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.

28.2 The Goods that are complete and ready for shipment within 30 (thirty) calendar days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect to:

(a) have any portion completed and delivered at the Contract terms and prices; and/or

(b) cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Services and for materials and parts previously procured by the Supplier.

29. Resolution of Disputes

29.1 All disputes arising from the execution of or in connection with the Contract shall be settled through amicable consultation by both parties. In case no settlement can be reached within 60 (sixty) days after commencement of such consultation, the disputes shall be submitted for arbitration.

29.2 A dispute involving the Purchaser and the Supplier, which is referred to formal arbitration, shall be settled by arbitration in
Amman, under the Jordanian International Economic and Trade Arbitration Commission in accordance with its arbitration rules/procedures. The official language of arbitration shall be the one indicated in SCC.

29.3 The arbitration award shall be final and binding on both parties.

29.4 Arbitration fees shall be borne by the losing party from its own funds except as otherwise awarded by the Arbitration Commission/Arbitral Tribunal.

29.5 In the course of arbitration, the Contract shall be continuously executed, except the part which is under arbitration.

30. Governing Language

30.1 The Contract shall be written in the language specified in SCC. Subject to GCC Clause 31, the version of the Contract written in the specified language shall govern its interpretation. All correspondence and other documents pertaining to the Contract, which are exchanged by the parties, shall be written in the same language.

31. Applicable Law

31.1 The Contract shall be interpreted in accordance with the Practical Guide to Contract procedures for European Commission external actions and the Agreement concerning the Project indicated in ITB Sub-Clause 1.2 and signed between the Government of the Italian Republic and the Government of the Hashemite Kingdom of Jordan. In case any discrepancy arises between the regulations of the Government of the Hashemite Kingdom of Jordan and those of the agreement, agreement shall prevail.

32. Notices

32.1 Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by fax and confirmed in writing to the other party’s address specified in SCC.

32.2 A notice shall be effective when delivered or on the notice’s effective date, whichever is later.

33. Taxes and Duties

33.1 All taxes in connection with the execution of this Contract levied by the Jordanian Government on the Purchaser in accordance with the tax laws in effect shall be borne by the Purchaser.

33.2 All taxes arising outside of the Hashemite Kingdom of Jordan in connection with the execution of this Contract shall be borne by the Supplier.

33.3 If some incidental services are required to be performed by the Supplier in the Hashemite Kingdom of Jordan, all taxes in connection with the execution of those incidental services levied by the Jordanian Government on the foreign Supplier in accordance with the tax laws in effect and the agreement (if such an agreement may exist), named in the SCC, shall be borne by the Supplier.

34. Effectiveness of the Contract and Miscellaneous

34.1 The effectiveness of the Contract is subject to prior signing by the parties, DGCS and Jordanian Authorities “no-objection” to the Contract and Purchaser receipt of Performance Security.

34.2 Upon DGCS and Jordanian Authorities “no-objection”, the Purchaser will send a written notification to the Supplier. Within 30
(thirty) calendar days from the receipt of such notification, the successful Bidder shall send a written confirmation, together with the Performance Security, to the Purchaser. The date of issuance of the written confirmation by the Supplier will be considered as the date of entering into force of the Contract.

34.3 It is the responsibility of the Supplier to arrange export license/s, if required for the Goods covered by this Contract from his own country at his own expense.

35. Ethics Clauses

35.1 (a) When putting forward a bid, the Bidder shall declare that he is affected by no potential conflict of interest and has no particular link with other bidders or parties involved in the project. Should such a situation arise during execution of the Contract, the Supplier must immediately inform the Purchaser.

(b) The Supplier must, at all times, act impartially and as a faithful adviser in accordance with the code of conduct of his profession. He shall refrain from making public statements about the project or Services without the Purchaser’s prior approval. He may not commit the Purchaser in any way without its prior written consent.

(c) For the duration of the Contract the Supplier and his staff shall respect human rights and undertake not to offend the political, cultural and religious mores of the beneficiary state.

(d) The Supplier may accept no payment connected with the Contract other than that provided for therein. The Supplier and his staff must not exercise any activity or receive any advantage inconsistent with their obligations to the Purchaser.

(e) The Contract shall govern the Parties’ use of all reports and documents drawn up, received or presented by them during the execution of the Contract.

(f) The Supplier shall refrain from any relationship likely to compromise his independence or that of his staff. If the Supplier ceases to be independent, the Purchaser may, regardless of injury, terminate the contract without further notice and without the Supplier having any claim to compensation.

(g) The DGCS reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process and if the Purchaser fails to take all appropriate measures to remedy the situation. For the purposes of this provision, “corrupt practices” are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the
Purchaser.

(h) Such unusual commercial expenses are commissions not mentioned in the main Contract or not stemming from a properly concluded contract referring to the main Contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

(i) The Supplier undertakes to supply the DGCS on request with all supporting documents relating to the conditions of the Contract’s execution. The DGCS may carry out whatever documentary or on-the-spot checks it deems necessary to find evidence in cases of suspected unusual commercial expenses.