



# MBS

MEMAAR BUILDING SYSTEMS

A Subsidiary of Emaar Industries & Investments

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## Standard Terms & Conditions of Sale

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Manufacturer Of Pre-Engineered Steel Buildings & Sandwich Panels

Version 2018.2

The following terms and conditions of sale are established by Memaar Building Systems FZC, hereby referred to in this document as MBS to govern the sale of Pre-Engineered Steel Buildings and Sandwich Panels that are processed through Memaar Building Systems FZC.

## 1. PLACING ORDERS

Orders are placed after MBS submits a written proposal, also known as a quotation or offer to the customer. Proposals may be revised until all technical and commercial matters are agreed upon by both the customer and MBS.

Once all matters are agreed upon and are included in a final revised MBS proposal, the customers' authorized representative and MBS's authorized sales representative must sign a standard contract. A blank form of this contract is attached to all MBS proposals.

## 2. ACCEPTANCE OF ORDERS

Only signed and dated contracts are accepted at MBS. Accepted orders are entered in a sales register maintained by MBS's order management department.

MBS order management department will put orders that are incomplete on hold until the order is completed. Customers are informed of the "on hold" status directly by MBS order management department or through the authorized MBS sales representative.

## 3. STANDARD PAYMENT TERMS

### 3.1 Letter of credit

Payment of the full contract price is by a sight irrevocable confirmed letter of credit (LC). The validity period for the LC is to be established at the time of signing the contract. The minimum validity period of the LC shall be 90 days for shipment and an additional 21 days for presentation of LC documents. For example, if the latest date for shipment is the 31st of December, then the LC expiry date shall be the 21st of January.

### 3.2 Beneficiary name

The beneficiary shall be:

"Memaar Building Systems FZC"

### 3.3 Correspondent Bank

MBS's correspondent bank in the UAE shall be documented in the proposal and/or pro forma invoice.

### 3.4 Description of goods

Description of the material supplied by MBS shall be "Pre-Engineered Building Components" as per MBS's proposal No. XX-XXXX Rev. "X" dated dd/mm/yyyy.

### 3.5 Insurance of MBS's material

Insurance of the material supplied by MBS is the responsibility of the customer and shall be covered by the customer.

### 3.6 Supply to job site, overland shipment (UAE destinations)

The LC value is payable according to and against presentation of the documents specified below:

A down payment of 20% of the LC value is paid upon receipt of the LC and against presentation of the beneficiary's sight draft and commercial invoice to the negotiating bank.

The balance of the LC amount is paid against presentation of:

- Sight draft drawn on negotiating bank
- Commercial invoice
- Packing list
- Trucking consignment note issued by the trucking company confirming receipt of the material for further delivery to the job site

Other terms:

- Partial shipment must be allowed
- Negotiating and advising bank charges are borne by the beneficiary
- Opening and issuing bank charges are borne by the customer/applicant

### 3.7 Supply to job site, overland shipment (other GCC countries and Middle East destinations)

The LC value is payable according to and against presentation of the documents specified below:

A down payment of 20% of the LC value is paid upon receipt of the LC and against presentation of the beneficiary's sight draft and commercial invoice to the negotiating bank.

The balance of the LC amount is paid against presentation of:

- Sight draft drawn on negotiating bank
- Commercial invoice
- Packing list
- Trucking consignment note issued by the trucking company confirming receipt of the material for further delivery to the job site
- Certificate of origin, issued by the Chamber of Commerce, showing origin of goods from a UAE free zone

Other terms:

- Partial shipment must be allowed
- Negotiating and advising bank charges are borne by the beneficiary
- Opening and issuing bank charges are borne by the customer/applicant
- LC must be confirmed and all confirmation charges are borne by the customer/applicant
- The original documents (most common are the commercial invoice, packing list, trucking consignment note and certificate of origin).

### 3.8 Supply Ex-works MBS factory

The LC value is payable according to and against presentation of the documents specified below:

A down payment of 20% of the LC value is paid upon receipt of the LC and against presentation of the beneficiary's sight draft and commercial invoice to the negotiating bank.

The balance of the LC amount is paid against presentation of:

- Sight draft drawn on negotiating bank
- Commercial invoice
- Packing list
- Material dispatch note issued by the beneficiary and countersigned by an authorized representative of the customer confirming receipt of materials (in the case the material dispatch note is not signed by the customer within 14 days from its issue date, then the beneficiary is permitted to claim the LC without countersignature of applicant), OR
- Notice sent by beneficiary to the applicant through appropriate channels (fax, email, registered mail, etc.), up to 10 days prior to shipment date, informing that the material is ready for shipment and requesting for customer pick up.

In the event that trucks are not made available on the due shipping date, beneficiary is allowed to submit copies of the invoice, certificate of origin (if applicable), packing list and material dispatch or "Notice" to the negotiating bank for negotiation.

Other terms:

- Partial shipment must be allowed
- Negotiating and advising bank charges are borne by the beneficiary
- Opening and issuing bank charges are borne by the customer/applicant
- LC must be confirmed and all confirmation charges are borne by the customer/applicant
- The original documents (most common are the commercial invoice, packing list and material dispatch note or "Notice") are submitted to negotiating bank for negotiation.

### 3.9 Supply CFR destination port, sea shipment (all destinations)

The LC value is payable according to and against presentation of the documents specified below:

A down payment of 20% of the LC value is to be paid upon receipt of the LC and against presentation of the beneficiary's sight draft and commercial invoice to the negotiating bank.

The balance of the LC amount is paid against presentation of:

- Sight draft drawn on negotiating bank
- Commercial invoice
- Packing list
- Bill of lading
- Certificate of origin, issued by the Chamber of Commerce, showing origin of goods from a UAE free zone

Other terms:

- Partial shipment must be allowed
- Transshipments must be allowed
- Negotiating and advising bank charges are borne by the beneficiary
- Opening and issuing bank charges are borne by the customer/applicant
- LC must be confirmed and all confirmation charges are borne by the customer/applicant

## 4. APPROVAL OF MBS DRAWINGS

When requested by the customer, or considered necessary by MBS, approval drawings are prepared to ensure that MBS's interpretation of all the customers' requirements are accurate.

If the building is joined, or part of an existing building, MBS will not issue approval drawings until a report from a certified surveyor, hired/appointed by the customer, is received at the MBS order management department.

When approval is required, three sets of drawings are provided, free of charge to the customer, of which one set must be signed by the customer and returned to MBS with "approved as is" or "approved as noted". Additional sets of approval drawings are available for a fee of 300 AED or 80 USD per set.

The information presented in the approval drawings is preliminary in nature and is not to be used for the purpose of setting anchor bolts, design of foundations or any other construction activities.

The approval of these drawings is accepted by MBS only in the form of the customers (or the customers authorized representative) signature within the "Approval" stamp placed by MBS on its approval drawings. Approval by any other means is not accepted by MBS.

Signed approval drawings are final and binding.

Approval drawings for standard buildings are normally submitted within 2-3 weeks, while approval drawings for more complex buildings may require a longer time frame.

Comments on returned approval drawings, which change the previously agreed upon scope of work, must be in red ink and covered by a 'change order' that is duly signed and accepted by the customer.

Approval drawings are returned to MBS within 2 weeks, after receipt by the customer. Delay in returning approval drawings may affect the overall project cycle, including delivery of the steel to the job site or port of entry.

Orders that are 'out for approval' for more than 60 days are subject to the pricing schedule that is in effect at the time the approval drawings are returned to MBS.

MBS reserves the right to place on hold an order that has been 'out for approval' for more than 90 days.

An order that is not 'released for fabrication' within 60 days of the date of receiving the approval drawings signed by the customer as 'approved as is' or 'approved as noted', are subject to re-pricing.

MBS reserves the right to place on hold an order that is not 'released for fabrication' within 90 days of the date of receiving the approval drawings signed by the customer as 'approved as is' or 'approved as noted'.

## 5. DESIGN CALCULATIONS

For orders requiring approval, the design calculations may be included with the approval drawings if requested.

Two sets of design calculations are provided free of charge. Additional sets are available for a fee of 150 AED or 40 USD per set.

Standard design calculations include:

- Design loads
- Material specifications and design assumptions
- Design of the primary and secondary structural framing
- Column reactions

Additional engineering fees may be levied for requested design calculations with requirements that exceed those of MBS's standard design calculations.

## 6. DESIGN CERTIFICATE

A design certificate attesting to the structural design integrity of an MBS building, signed and stamped by the MBS engineering department, may be supplied, at no cost, in place of the design calculations.

## 7. CHANGE ORDERS

Changes in requirements, after a contract is signed and accepted, require the customer to sign a contract change order prepared by MBS. A contract change order describes the change and the impact that the change may have on the price and/or delivery.

No further action is taken by MBS until a contract change order is signed and accepted by the customer.

Any changes after an order is 'released for fabrication' are strictly prohibited. In the event the customer insists on initiating a change, the price of fabricated components made obsolete as well as all engineering and related costs incurred will be charged to the customer.

## **8. ORDER ON HOLD**

After the start of manufacturing, all costs incurred when an order is placed on hold by the customer, will be charged to the customer.

MBS reserves the right to re-price an order according to the price rates that are valid at the time of release of the order from its on hold status.

## **9. MATERIAL DISPATCH**

The material dispatch commitment is measured in weeks from the date of the latest receipt and acceptance at the MBS head office of the following documents:

- Signed contract
- Acceptable LC, final accepted and amended LC
- Final change order, including any amendments to the LC price
- Approval drawings signed "approved as is" or "approved as noted"

Fabrication and dispatch schedules are determined when all of the above conditions are fulfilled. The fabrication completion date will be communicated to the customer by the authorized MBS sales representative.

## **10. CONSTRUCTION/ERECTION DRAWINGS**

Three sets of construction/erection drawings are sent to the customer.

## **11. MATERIAL SUBSTITUTION**

When a standard inventory item is out of stock or when product development improvements necessitate it, MBS reserves the right to substitute material equivalent to that originally specified.

## **12. DESIGN AND SUPPLY EXCLUSIONS**

MBS only supplies materials which are clearly described in its proposal under 'Building Description' and 'Standard Supplied Material' or covered by written, accepted and signed contract change orders.

MBS does not supply, nor does it accept responsibility for the design or construction of column footings, ground slabs, tie beams, masonry walls and other civil concrete works.

MBS does not supply nor does it accept responsibility for plumbing services, electrical services, air conditioning services, or any other material or service not specified in the final accepted proposal contract or change order.

## **13. PERMITS AND FEES**

It is the customer's responsibility to obtain and pay for all building permits, licenses, public assessments, prorated utilities, utility connections, occupancy fees and any other fees required by any government authority in connection with the work provided for in the contract.

The customer shall provide, at his expense, all plans and specifications required to obtain the building permit, except those plans to be provided by MBS.

It is the customer's responsibility to ensure that all the plans and specifications, including those produced by MBS, comply with the applicable requirements of all the governing building authorities at the site of the MBS building.

## **14. INSPECTION OF FABRICATED MATERIAL**

MBS has a standard quality plan which outlines the quality control procedures that are followed during the fabrication and shipment of its products. This plan describes the sampling techniques, types of tests conducted, control procedures and reporting format used in the fabrication of all manufactured components. The MBS standard quality plan is available upon request.

Inspection of MBS's products at its plant by a customer or by the customer's authorized representative (if required by a specific supply contract) may be arranged. Such inspection are scheduled after receipt of a written request for such inspection by the customer. Inspections are arranged in such a manner so as not to delay fabrication and/or shipment. In the event that the customer or his representative fail to conduct inspection as scheduled, the materials shall be considered "released by concession".

## **15. MATERIAL DISPATCH ADVICE**

The customer is notified of the actual dispatch by MBS immediately upon the dispatch of the material from the MBS factory.

## **16. PARTIAL SHIPMENTS**

On large jobs, partial shipments are necessary.

When partial shipments are requested by the customer and accepted by MBS, each shipment is assigned a prorated value equal to the value of the dispatched materials that is claimed according to the accepted terms of payment covering the total job value.

## **17. CUSTOMER PICKUP SHIPMENTS**

MBS prefers to make all overland shipments by contract carriers. The customer may also pick up the material, provided that:

- The customer must obtain an assigned loading date and time from MBS order management department
- The customer provides suitable trailers for loading by MBS. MBS cannot load closed van trailers and trailers with siding
- The customer's driver must sign a receipt for the MBS materials
- Customers who are not familiar with the MBS pick up procedure, should request this information from the order management department at MBS's head office

## **18. UNLOADING OF MATERIAL AT JOB SITE**

Unloading of trucks at jobsite is the responsibility of the customer.

The customer is required to provide suitable equipment for unloading the material. If a site is inaccessible or not ready to accept the material, another site for unloading must be provided by the customer.

The customer is responsible for the condition of the jobsite as far as the safety of the trucking company driver and MBS material is concerned.

The customer is responsible for accurately checking the materials upon arrival and unloading. Any discrepancies must be noted on the material dispatch note.

A receiving representative of the customer cannot refuse to accept an entire shipment due to some portion of that shipment being damaged or missing. Damaged material must be noted on the material dispatch note and reported to MBS within 7 days of receiving the materials, failure to submit a claim within the number of days specified will render the claim invalid.

## **19. ERECTION OF BUILDINGS**

The customer is responsible for the quality of erection of MBS buildings. MBS assumes no liability for and the customer shall not hold MBS liable on account of any defects in the erection of buildings or such defects as loose connections, missing parts, roof leaks, damaged sheets, omission of sealant, scratched surfaces, poor alignment, inadequate drainage and any other defects caused by others.

The customer is required to permit an MBS representative to inspect and take pictures of the erection work at any time during the erection process.

MBS appoints only tried and tested contractors as certified builders, however, MBS is not responsible for the quality of the erection made by these builders. MBS certified builders are independent contractors who are certified by MBS due to their knowledge and experience in pre-engineered steel buildings erection and contracting practices.

## **20. SHORTAGE OF MATERIAL**

It is the responsibility of the customer or his representative to check the materials before signing and dating the acceptance on MBS's material dispatch note.

The dated signature of the customer or his representative constitutes a formal acknowledgement of the correct receipt of the consignment for both quality and quantity.

Claims of shortages shall only be accepted by MBS if received in writing and within seven days of the date of the acceptance signature on the material dispatch note.

If, after receipt of such claims, MBS's bill of material and shipping lists are found to be correct, replacement material shall be supplied only after receipt of a written acceptance, of the additional ex-works costs and delivery costs for such replacement material, from the customer or his representative.

MBS shall not accept any subsequent claims or liabilities alleged to arise from losses or shortages.

## **21. FIELD MODIFICATIONS**

Minor field modifications and adjustments, in any pre-engineered building, are to be expected. Minor field work does not constitute grounds for claims. Such field work is provided for within the contingency element of any construction estimate.

Only repairs due to major fabrication errors may be cause for filing a claim. Such repairs shall only be undertaken after consultation and consent by MBS.

## **22. COMBINED SHIPMENTS**

MBS is occasionally obliged to include a small quantity of material (backorder or urgent material request) consigned to a customer within a shipment destined to another customer in the same metropolitan area or territory. All customers involved benefit from this mutual cooperation.

## **23. STORAGE**

MBS shall store, free of charge, in its open yard any or all the materials for a contract for a period not exceeding 30 days from the fabrication completion date.

Should a customer delay dispatch of goods for a period exceeding 30 days after the fabrication completion date, storage charges shall be levied by MBS at the rate of 0.1% of the ex-works selling price (of the unshipped material) per day, up to a maximum of 6 months from the fabrication completion date.

After a period of 6 months from the fabrication completion date, MBS reserves the right to discard, by any means available, all material that is not cleared for dispatch, and all charges incurred shall be billed to the customer.

MBS shall not be held responsible for deterioration of the paint coating caused to the exposed steel due to the extended storage period.

## **24. WARRANTY**

MBS warrants its material for one year from the fabrication completion date. This warranty extends only to material manufactured by MBS in that such

material shall not fail due to defective material or workmanship when utilized in the intended manner.

MBS warrants that the structure shall support the loads described in MBS's drawings and contract, when properly erected, as part of a complete structural system designed by MBS and comprising only of parts made by MBS, and the structure is used in a manner and the purpose for which it was designed.

No warranties are expressed or implied other than those described in the above terms.

In the event of breach of warranty, the limit of any claim shall be the correction or replacement of defective material and correction of defective workmanship. Under no circumstances shall MBS be held responsible for subsequent damages that are alleged to arise from any such claim of breach of warranty.

## **25. FORCE MAJEURE**

MBS shall not be held accountable for delays in material dispatch or delivery (after dispatch) resulting from circumstances outside its control, such as strikes, acts of war, revolution, riots or civil disturbance, trade sanctions or restrictions, or occurrences of meteorological or geophysical nature, etc., to the extent that these affect transport, communications or manufacturing, by MBS, its suppliers and its subcontractors.

## **26. CANCELLATION OF ORDERS**

In the event a signed contract is canceled by a customer, the following cancellation charges will apply:

- 10% of the total contract amount
- All charges incurred by MBS and its subcontractors/suppliers up to the time of receipt by MBS of the acknowledged notice of cancellation

Cancellation charges are due immediately upon receipt by MBS of the customer's notice of cancellation.

An order placed on hold (at any stage) for a period of 90 days will be considered canceled.



## HEAD OFFICE & PLANT

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