

## GENERAL CONDITIONS OF SALE

## 1. DEFINITIONS

- 1.1. "AFFILIATE" (in respect of any company other than the SELLER) shall mean any subsidiary or holding company of the company or any other subsidiary of any such holding company. For the purpose of this definition, "subsidiary" and "holding company" shall have the same meaning assigned to it under Section 736, Companies Act 1985, as amended by Section 144, Companies Act 1989.
- "AFFILIATE" (in respect of the SELLER) shall mean Swellfix B.V and it's subsidiaries.
- 1.2. "CO-VENTURER" means any other entity with whom the PURCHASER is or may be from time to time a party to a joint operating agreement or unisation agreement or such other similar agreement for the exploration for and/or production of and/or processing of hydrocarbons and associated commercial and construction operations, and their successors in interest.
- 1.3. "GOODS" means the materials or equipment and any part or component thereof incorporated or to be incorporated therein, to be purchased as specified in the PURCHASE ORDER.
- 1.4. "INSPECTION" means inspection by or on behalf of PURCHASER, either by its own personnel or its nominees.
- 1.5. "INSPECTOR" means the inspector appointed by PURCHASER.
- 1.6. "PURCHASER" means the company or other entity, identified on the PURCHASE ORDER as the purchaser of the GOODS.
- 1.7. "PURCHASER GROUP" means the PURCHASER, its CO-VENTURERS and suppliers, its and their respective AFFILIATES and its and their respective officers and employees (including agency personnel), but shall not include any member of the SELLER GROUP.
- 1.8. "PURCHASE ORDER" means the contract document issued by the PURCHASER to the SELLER containing details of the SELLER's fixed commercial proposal, referencing all pertinent associated papers and documents, and incorporating the Conditions more particularly referred to in 2.1, as applicable
- 1.9. "SELLER" means the person, company or other entity identified on the PURCHASE ORDER as the seller of the GOODS.
- 1.10. "SELLER GROUP" means the SELLER, its SUB SUPPLIERS, its and their respective AFFILIATES and its and their respective officers and employees (including agency personnel), but shall not include any member of the PURCHASER GROUP
- 1.11. "SUB SUPPLIER" means the person, company or other entity (other than PURCHASER) having a contract with SELLER for the supply of the GOODS, or a part of the GOODS.

## 2. APPLICABILITY

- 2.1. A PURCHASE ORDER shall be solely governed by (i) these **GENERAL CONDITIONS OF SALE** and (ii), if declared applicable in the relevant PURCHASE ORDER, the **SUPPLEMENTAL CONDITIONS OF SALE** and (iii) any other terms and conditions as specified in the relevant PURCHASE ORDER, hereinafter referred as "**SPECIFIC CONDITIONS**".
- All abovementioned conditions shall be deemed to form an integral part of the PURCHASE ORDER, except for any and all liabilities, indemnities and warranties, agreed in these **GENERAL CONDITIONS OF SALE**, which cannot be varied through the specification of **SUPPLEMENTAL CONDITIONS OF SALE** or **SPECIFIC CONDITIONS**. Liabilities, indemnities and warranties, agreed in these **GENERAL CONDITIONS OF SALE** can only be varied through the execution by both the PURCHASER and SELLER of a written variation of these **GENERAL CONDITIONS OF SALE**.
- In the event of any contradictions or conflict (other than those relating to liabilities and warranties, which shall be governed by the **GENERAL CONDITIONS OF SALE** only) between the applicable terms and conditions the order of precedence shall be as follows:
- (1) **SPECIFIC CONDITIONS**
  - (2) **GENERAL CONDITIONS OF SALE**
  - (3) **SUPPLEMENTAL CONDITIONS OF SALE**
- 2.2. Standard terms and conditions of the PURCHASER or any other terms and conditions specified by the PURCHASER shall not apply to the PURCHASE ORDER (notwithstanding if the PURCHASER's terms and conditions are provided later than the Conditions referred to above), unless expressly accepted in writing by SELLER. Reference to the PURCHASER's documents shall have no bearing on the terms and conditions of the PURCHASE ORDER, unless specifically agreed to in writing by SELLER. All correspondence and documents shall be in the English language.
- 2.3. A waiver on the part of the SELLER of any term, provision or condition of the PURCHASE ORDER shall not constitute a precedent or bind the SELLER to grant a waiver of or be deemed to waive any subsequent breach of the same or any other term or condition.
- 2.4. No failure on the part of the SELLER at any time to enforce or require strict adherence to and performance of any of the terms and conditions of the PURCHASE ORDER shall constitute a waiver of such terms and conditions and/or affect or impair any of the rights of the SELLER at any time to avail itself of such remedies as it may have under the PURCHASE ORDER for each and every breach thereof.
3. **DELIVERY**
- 3.1. Delivery terms shall be in accordance with the latest edition of "Incoterms" issued by the International Chamber of Commerce in Paris, France. In the event of any conflict between the latest edition of "Incoterms" and any of the terms and conditions of the PURCHASE ORDER the latter shall take precedence.
- 3.2. The quantities stated in shipping documents such as weight certificates, bills of lading, sea-way bills, liner-way bills, and freight receipts shall be deemed correct unless proven to be incorrect.
4. **ENTIRE AGREEMENT**

The PURCHASE ORDER constitutes the entire agreement between the parties hereto with respect to the GOODS and supersedes all prior negotiations, representations or agreements related to the PURCHASE ORDER, either written or oral.

## 5. PRICE AND PAYMENT

- 5.1. The price is based on the exchange rates, duties, taxes, freight-, storage- and insurance charges applicable at the time of the formation of the PURCHASE ORDER. In case of any change in the applicable rates, duties, taxes or charges after the date of formation of the PURCHASE ORDER but prior to the agreed date of delivery, SELLER shall have the right to adjust the price accordingly.
- 5.2. In case of an increase in the prices of energy, raw materials or other materials necessary for the manufacture of the GOODS ordered by PURCHASER occurring prior to the agreed date of delivery, SELLER shall have the right to increase the price of the GOODS ordered accordingly, provided that SELLER shall give fourteen calendar days prior written notice of each such increase and that PURCHASER shall have the right to cancel the PRUCHASE ORDER within seven calendar days of receipt of each such notice.
- 5.3. The PURCHASER will pay for the GOODS against the SELLER's invoice in the amounts specified in the PURCHASE ORDER within 30 days of receipt of the SELLER's invoice.
- 5.4. If PURCHASER fails to pay any amount when due, then, without prejudice to any other right the SELLER may have, a default interest of 2% per month on the amount outstanding shall become due, and all costs, including judicial, made in order to obtain payment by PURCHASER of the amount or amounts due, shall be for account of PURCHASER.
- 5.5. Amounts paid by PURCHASER shall be credited by SELLER against the debts receivable by SELLER from PURCHASER, including those pursuant to article 5.4, in the chronological order of the due dates of the debts.
- 5.6. To the extent that payments to be made under the PURCHASE ORDER attract Value Added Tax, the proper amount of such tax shall be shown as a separate item on the invoice.
6. **TAXES**
- All charges, taxes, levies, duties and penalties of whatever nature and charged to or levied or imposed on the SELLER by any appropriate government authority whether of the PURCHASER's country or otherwise in connection with the performance of the PURCHASE ORDER by the SELLER, or any work in connection therewith, shall be for the account of and be borne by the PURCHASER. The PURCHASER shall indemnify the SELLER against all such charges, taxes, levies, duties and penalties of whatever nature and charged to or levied or imposed on the SELLER which, in accordance with this article, are for the PURCHASER's account.
7. **WARRANTY AND DEFECTS CORRECTION**
- 7.1. Subject to the remainder of this article 7, SELLER warrants the GOODS sold pursuant hereto to be free of material defects for a period of one (1) year after the date of the GOOD'S are delivered.
- 7.2. The above warranty does not apply to:
- (i) GOODS that have been modified or subjected to improper handling, storage, installation, operation or maintenance by PURCHASER, including use of unauthorised replacement parts;
  - (ii) component parts not manufactured by SELLER, whether purchased by SELLER or furnished by PURCHASER, such parts being subject to any applicable manufacturer's warranty;
  - (iii) parts requiring replacement because of natural wear and tear; or
  - (iv) the design on those jobs where SELLER prepared drawings or lists from designs furnished by others.
- 7.3. SELLER's liability for breach of this warranty is expressly limited to the repair or replacement, at its sole option, of any GOODS or parts of GOODS, which prove to be defective during the warranty period. This limited express warranty, and the stated breach thereof shall be in lieu of any and all other warranties, express or implied, including without limitation, warranties for merchantability or fitness for any particular purpose.
8. **INDEMNITY ARRANGEMENTS**
- 8.1. The SELLER shall be responsible for and shall save, indemnify, defend and hold harmless the PURCHASER GROUP from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of:
- (a) loss of or damage to property of the SELLER GROUP whether owned, hired, leased or otherwise provided by the SELLER GROUP arising from or relating to the performance of the PURCHASE ORDER; and
  - (b) personal injury including death or disease to any person employed by the SELLER GROUP arising from or relating to the performance of the PURCHASE ORDER; and
  - (c) personal injury including death or disease or loss of or damage to the property of any third party to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the SELLER GROUP arising from or relating to the performance of the PURCHASE ORDER. For the purposes of this clause "third party" shall mean any party, which is not a member of the PURCHASER GROUP or the SELLER GROUP.
- 8.2. The PURCHASER shall be responsible for and shall save, indemnify, defend and hold harmless the SELLER GROUP from and against any claims, losses, damages costs (including legal costs) expenses and liabilities in respect of.
- (a) loss of or damage to property of the PURCHASER GROUP whether owned, hired, leased or otherwise provided by the PURCHASER GROUP arising from or related to the performance of the PURCHASE ORDER or the use of the GOODS, excluding the GOODS prior to delivery; and
  - (b) personal injury including death or disease to any person employed by the PURCHASER GROUP arising from or

- relating to the performance of the PURCHASE ORDER or the use of the GOODS; and
- (c) personal injury including death or disease or loss or damage to the property of any third party to the extent that such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the PURCHASER GROUP arising from or relating to the performance of the PURCHASE ORDER or the use of the GOODS. For the purposes of this Clause "third party" shall mean any party, which is not a member of the SELLER GROUP or the PURCHASER GROUP.
- 8.3 All exclusions and indemnities given under this article shall (save for those under articles 8.1(c), 8.2(c) and article 8.4) apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified party or any other entity or party and shall apply irrespective of any claim in tort, under contract or otherwise at law.
- 8.4 For the purposes of this article the expression "Consequential Loss" shall mean indirect losses and/or loss of production, loss of product, loss of use and loss of revenue, profit or anticipated profit.
- 8.5 The PURCHASER GROUP shall save, indemnify, defend and hold harmless the SELLER GROUP from the PURCHASER's GROUP own Consequential Loss and the SELLER GROUP shall save, indemnify, defend and hold harmless the PURCHASER GROUP from the SELLER's GROUP own Consequential Loss.
- 8.6 The liability of the SELLER under this article 8 shall not exceed the total price as agreed in the relevant Purchase Order.
- 9. INSPECTION/EXPEDITING**
- 9.1 Upon receipt of the GOODS, PURCHASER shall inspect the same, by analysis or otherwise, exercising such care as is customary or appropriate in the circumstances.
- 9.2 Any claims concerning the quality or quantity of the goods delivered shall be submitted by PURCHASER to SELLER within 8 days from the date of receipt of the GOODS.
- 9.3 GOODS shall not be returned to SELLER without prior written consent of SELLER.
- 10. VARIATIONS**
- Variations to the PURCHASE ORDER proposed by the PURCHASER will only apply between the PURCHASER and the SELLER if agreed in writing by the SELLER, which variations may result in an increase in the purchase price or an alteration in the date of delivery, in which case the SELLER shall so advise the PURCHASER and shall give an estimate of the purchase price and/or date of delivery adjustment. If the PURCHASER has not informed the SELLER in writing that it does not accept such increase in the purchase price or alteration in the date of delivery within twenty (20) calendar days from the date on which the SELLER has advised the PURCHASER thereof, the PURCHASER shall be deemed to have accepted the increase in the purchase price and alteration in the date of delivery and the SELLER shall be entitled to proceed with the PURCHASE ORDER, as amended, on that basis.
- 11. TITLE AND RISK**
- 11.1 The right of property in the GOODS delivered shall remain vested in the SELLER until the purchase price has been paid in full, in accordance with the PURCHASE ORDER. During the period the property is still vested in SELLER, PURCHASER shall hold the GOODS in trust for SELLER. If PURCHASER fails to pay the purchase price of the GOODS in accordance with the payment term stated on the invoice or agreed in the PURCHASE ORDER, SELLER shall have the right to repossess the GOODS, without any prior notice being required.
- 11.2 Notwithstanding article 11.1, PURCHASER shall be entitled to use and/or sell the GOODS in the normal course of its business before the purchase price has been paid in full already.
- 11.3 The risk of loss of or damage to the GOODS shall pass to PURCHASER on delivery in accordance with the agreed delivery term of article 3.1.
- 12. PATENTS, AND OTHER PROPRIETARY RIGHTS**
- 12.1 The PURCHASER shall save, defend, and hold harmless the SELLER from all claims, losses, damages, costs (including legal costs), expenses and liabilities of every kind and nature for, or arising out of, any alleged infringement of any patent or proprietary or protected right, arising out of or in connection with the performance of the obligations of the SELLER under the performance of the PURCHASE ORDER.
- 12.2 Unless otherwise agreed, title to all designs, drawings, specifications, calculations and other technical information relating to the GOODS provided or specifically prepared by the SELLER or its SUB SUPPLIERS under the PURCHASE ORDER shall vest in the SELLER, provided that the PURCHASER shall be entitled to use the SELLER's or its SUB SUPPLIER's drawings, specifications, calculations and other documents for the purpose of use, operation, maintenance, replacement (by other GOODS) and repair of the GOODS for the lifetime of same.
- 12.3 The remainder of this article notwithstanding, SELLER shall own all rights to i) new tools, equipment, materials, processes, software, or algorithms developed by SELLER, and ii) any improvements in SELLER'S existing tools, equipment, materials, processes, software, algorithms.
- 13. FORCE MAJEURE**
- 13.1 The SELLER shall not be liable for any failure to fulfil any term or condition of the PURCHASE ORDER if fulfilment has been delayed, interfered with or prevented by any event which is beyond the control of the SELLER, and was not reasonably foreseeable by the SELLER.
- 13.2 In the event of a force majeure occurrence, the SELLER shall notify the PURCHASER as soon as is reasonably practicable, giving the full relevant particulars.
- 13.3 Either party may terminate the PURCHASE ORDER if the event of force majeure subsists for a continuous period of more than three months.
- 13.4 Labour disputes, strikes and industrial disputes of a non-national or regional level affecting employees of the SELLER, its SUB-SUPPLIERS shall be construed as an occurrence of force majeure.
- 14. LICENCES AND PERMITS**
- If and to the extent any licences, permits, temporary permits, authorisations or consents are required by the country of PURCHASER or any other country for performance of the PURCHASE ORDER, the sale of the GOODS and other obligations of the SELLER under a PURCHASE ORDER shall be conditional upon such licences, permits, temporary permits, authorisations or consents being available timely to the SELLER, except to the extent that same can only legally be obtained by the PURCHASER. The SELLER shall not have any obligation to investigate whether any such licences, permits, temporary permits, authorisations or consents are required.
- 15. CONFIDENTIALITY/PUBLICITY**
- No party to a PURCHASE ORDER shall disclose by way of press release or otherwise, to any third party the PURCHASE ORDER or any information from the other party, without the prior written consent to such disclosure of the other party, except for disclosure by the SELLER insofar and to the extent as is necessary for the information to SUB SUPPLIERS, or the obtaining of any necessary licences, permits or consents. The confidentiality obligations under this PURCHASE ORDER shall not apply when such information: (a) is already known to the receiving party prior to the disclosure of such information by the disclosing party; (b) becomes publicly known through no wrongful act of the receiving party; (c) is rightly received by the receiving party from a third party without a similar restriction and without breach of this PURCHASE ORDER; (d) is independently developed by the receiving party without breach of this PURCHASE ORDER; or (e) is required to be disclosed pursuant to court order or order of a governmental agency or by operation of law.
- 16. TERMINATION**
- In the event of the PURCHASER's non-compliance with the terms and conditions of the PURCHASE ORDER or in the event that the PURCHASER has ceased to pay its debts when they become due or has filed a request for suspension of its payments prior to payment of all amounts due in accordance with the PURCHASE ORDER, the SELLER shall have the right to terminate the PURCHASE ORDER forthwith and/or claim damages and to have the GOODS or any part thereof returned to the SELLER and the ownership therein re-transferred to the SELLER.
- 17. SET-OFF DEBTS**
- The SELLER shall at all times be entitled to set off any present or future claims the SELLER may have against the PURCHASER against any present or future debts which the SELLER may have with the PURCHASER.
- 18. LAWS AND REGULATIONS**
- The PURCHASER shall inform the SELLER of all applicable laws, rules and regulations of any governmental or regulatory body having jurisdiction over the GOODS specified in the PURCHASE ORDER and applicable to the performance of the PURCHASE ORDER, other than under the laws of England and Wales, in order to enable the SELLER to comply with national and applicable international Health, Safety and Environmental regulations as well as those regulations relating to applicable trade and/or export controls.
- 19. BUSINESS ETHICS AND PRINCIPLES**
- The PURCHASER shall not offer or give or agree to give to any person in the service of the SELLER or any SUB-SUPPLIER any gift or consideration of any kind.
- The PURCHASER acknowledges that it is aware of the SELLER's Statement of General Business Principles which can be found on the website of the SELLER. The PURCHASER shall adhere to the Principles contained in the said Statement in all its dealing with SELLER and its employees and shall notify the SELLER immediately if it becomes aware of any behaviour by the PURCHASER, its employees or any other person which is, or may be inconsistent with these Principles.
- Without prejudice to any other rights that the SELLER may have, the SELLER may terminate the PURCHASE ORDER immediately upon notice in writing to the PURCHASER should the PURCHASER violate the provisions of this article.
- 20. NOTICES**
- 20.1 Where the PURCHASE ORDER provides for either party to give notice to the other, such notice shall be in writing. Notices shall be effective as follows:
- if delivered by hand, at the time of delivery; or
  - if sent by fax at the time of receipt of the fax provided the principal notice so faxed is sent by registered mail in accordance with c) below; or
  - if sent by registered mail, postage prepaid, ten (10) days after the date of mailing of the registered letter.
- 20.2 The addresses of the PURCHASER and of the SELLER for notices and other communications shall be as given in the PURCHASE ORDER. Any change of such address shall be notified to the other party in writing.
- 21. APPLICABLE LAW**
- The PURCHASE ORDER shall exclusively be governed and interpreted in accordance with the Laws of England and Wales.
- 22. ARBITRATION**
- Any dispute between the parties, whether resulting from a claim in contract, tort or at law or from any other claim or controversy, which may arise in connection with the PURCHASE ORDER or the application, implementation, validity, breach or termination of the PURCHASE ORDER or any provision thereof shall be resolved in the first instance by the parties through direct consultation and discussion. If such discussions cannot resolve such dispute within 60 calendar days after the first written notice that a dispute exists by the SELLER or the PURCHASER, as the case may be, to the other party, the dispute will be finally and exclusively settled by

arbitration in London, United Kingdom, under the UNCITRAL Rules of Arbitration by an arbitrator selected by each of the parties and a third arbitrator selected by the first two arbitrators. The arbitration award shall be final and binding on the parties. The arbitration proceedings shall be conducted in the English language.

**23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

- 23.1 Subject to article 23.3, the parties intend that no provision of the PURCHASE ORDER shall, by virtue of the Contracts (Rights of Third Parties) Act 1999 ("the Act") confer any benefit on, nor be enforceable by any person who is not a party to the PURCHASE ORDER.
- 23.2 For the purpose of this article 23, 'Third Party' shall mean any member of the PURCHASER GROUP (other than the PURCHASER) or SELLER GROUP (other than the SELLER).
- 23.3 Subject to the remaining provisions of the PURCHASE ORDER, article 8 (Indemnity Arrangements) and article 14 (Patents and Other Proprietary Rights), are intended to be enforceable by a Third Party,
- 23.4 Notwithstanding article 23.3, the PURCHASE ORDER may be rescinded, amended or varied by the parties to the PURCHASE ORDER without notice to or the consent of any Third Party even if, as a result, that Third Party's right to enforce a term of this PURCHASE ORDER may be varied or extinguished.
- 23.5 The rights of any Third Party under article 23.3 shall be subject to the following :-
- (a) any claim, or reliance on any term of the PURCHASE ORDER by a Third Party against a party to the PURCHASE ORDER shall be notified in writing in accordance with article 20 in writing by such Third Party to each party to the PURCHASE ORDER as soon as such Third Party becomes aware that an event is likely to give rise to such a claim and such notification shall contain the following information as a minimum:
    - (i) details of the occurrence giving rise to the claim,
    - (ii) the right relied upon by the Third Party under the PURCHASE ORDER,
  - (b) the Third Party's written agreement to submit irrevocably to the jurisdiction of the English Courts in respect of all matters relating to such rights.
- 23.6 In enforcing any right to which it is entitled by virtue of the Act and the provisions of this PURCHASE ORDER, the remedies of a Third Party shall be limited to damages.
- 23.7 A Third Party shall not be entitled to assign any benefit or right conferred on it under this PURCHASE ORDER by virtue of the Act.