

## STANDARD TERMS AND CONDITIONS OF SALE

### 1. DEFINITIONS

For the purpose of these Conditions, the terms below are defined as follows: "Contract" means unconditional acceptance of these Standard Terms and Conditions of Sale by Purchaser in writing in accordance with Clause 3; "Conditions" means these Standard Terms and Conditions of Sale and any additional terms and conditions agreed in writing by Supplier; "Party" or "Parties" means Supplier or Purchaser or both as the case dictates; "Purchaser" means the entity on whose behalf the Purchase Order has been issued to Supplier; "Purchaser Group" means Purchaser and its affiliated companies, its contractors, subcontractors, and their respective agents, servants, directors, officers and employees and their insurers; "Purchase Order" means a written document signed by an authorised signatory on behalf of Purchaser describing the Work to be supplied by Supplier as referred to in Clause 3; "Work" means any and all activities to be performed and/or assemblies, sub-assemblies, and material to be delivered by Supplier pursuant to the Purchase Order, including the provision of drawings, documentation, calculations, certificates and all other technical documentation; "Third Party" means any entity other than those in Purchaser Group or Supplier Group; "Supplier" means Subsea Riser Products Limited (SRP); "Supplier Group" means Supplier and its affiliated companies, its holding company and affiliates thereof; contractors, subcontractors, of any tier and their respective agents, servants, directors, officers and employees and their insurers;

### 2. APPLICATION

This Contract between Supplier and Purchaser, all obligations deriving therefrom and any further agreements reached as a result are subject to these Conditions. All offers, whether on Purchase Order or not, made by Purchaser in respect of such a Contract are void and ineffective. In the event of a Contract between Supplier and Purchaser, these Conditions shall take precedence over any conditions sought to be imposed by Purchaser, including conditions containing a Condition similar to this one. Purchaser shall not assign the Contract or any rights or obligations therein or deriving from without the prior written consent of Supplier.

### 3. CONCLUSION OF CONTRACT

The Contract shall be concluded as follows: Purchaser shall transmit a dated Purchase Order to Supplier. Supplier shall review the Purchase Order and acknowledge receipt thereof in writing to Purchaser provided that Supplier is in all respects satisfied with the content thereof. The Contract shall be concluded if and when Purchaser receives the acknowledgement from Supplier. If the received Purchase Order is found to be unsatisfactory by Supplier, Supplier may at its sole discretion alter or amend the Purchase Order and return it to Purchaser whereby the Contract shall take effect only upon Purchaser's specific acceptance of the amended Purchase Order in writing to Supplier. Under these circumstances Supplier is entitled to reject the Purchase Order until such time as it receives the said specific acceptance.

### 4. GUARANTEE

Supplier shall warrant and guarantee the Work supplied or provided under the Contract for a period of one year from the date on which the Work is properly installed and taken into the service specified or the Work is made available provided that this is not later than 18 months from the date of delivery, as being without patent defects, deficiencies, imperfections, fault, damage or failure of whatsoever

nature due to defects in designs, materials and/or workmanship and as conforming to the appropriate specifications, drawings, samples or other descriptions supplied by or on behalf of the Purchaser pursuant to the Purchase Order. The warranty and guarantee shall be taken by Purchaser as trustee such that it is effective for Purchaser Group, its successors, assignees and other users of Supplier's Work. Purchaser may inspect the Work prior to delivery and shall be entitled to reject any Work which is defective or not conforming to the specification in the Purchase Order. Supplier shall rectify, replace or repair the Work at its absolute discretion promptly, without charge. Supplier guarantees that the Work supplied under the Contract is sold with full title guarantee and in any event is free of any legal or equitable lien, charge or encumbrance in favour of a Third Party. Supplier shall rectify, repair or replace Work which is found defective during the warranty period, at its sole discretion and without charge, upon prepaid return of the allegedly defective item to a destination determined by Supplier who makes no warranty beyond that stated herein. Purchaser's sole remedy and Supplier's sole obligation arising out of or in connection with defects in the Work shall be those stated in this section. Supplier has no liability for removal or reinstallation of products or equipment. Each Party shall immediately notify the other Party of any possible lien, attachment, charge or claim which may affect Supplier or Purchaser or the Work. Each Party shall save, indemnify, defend and hold harmless the other party from and against all liens, attachments, charges of claims by any subcontractors or persons alleging to be subcontractors in connection with or arising out of the Contract.

### 5. PRICES AND DELIVERY

Unless specifically agreed otherwise, the price agreed between the Parties is fixed net of all taxes and subject to Incoterms 2010. Delivery shall be EXW on the delivery date stated in the Purchase Order. Risk in the work shall pass to Purchaser upon delivery or on the delivery date if Purchaser is unable to take delivery and in which case Supplier shall arrange for suitable storage at additional cost to Purchaser. Purchaser inability to take delivery of the Work shall not delay or impede payment to Supplier. Charges for packaging (beyond simple palletisation, protective covering and inhibition against atmospheric corrosion), crane hire, shipping, carriage, insurance and other applicable duties and levies shall be borne by Purchaser.

### 6. INSPECTION

Any costs for the provision of specialist equipment or facilities required to carry out inspection tests during the manufacturing process and prior to delivery as specified in the Purchase Order are payable by Purchaser. Personal expenses, such as travel and accommodation expenses or salaries, for external inspectors such as Lloyds, TUV or similar certifying authorities are payable by Purchaser. If the Work is rejected following inspection, Supplier undertakes to repair, rectify or supply replacements at its absolute discretion and to arrange for the removal of the rejected items.

### 7. PAYMENT

Supplier shall submit its invoices after delivery stating Purchaser's Purchase Order number and a job number if applicable. Purchaser shall pay or cause to be paid within 30 days of receipt of a correctly prepared invoice such sums as appear thereon at the correct address as specified on the invoice. Where the preparation of the invoice or the details of the claimed amount is disputed, Purchaser shall pay the undisputed amount. Payment in full or payment of an undisputed amount shall constitute acceptance in full of the Work

appertaining thereunto. Interest shall be payable for late payment of correctly prepared and adequately supported invoices. The amount of interest payable shall be two percent (2%) above the Bank of England 'Base Rate' from the due date for payment until date of actual payment.

#### **8. FORCE MAJEURE**

No Party to the Contract shall be held to be in breach of Contract for any failure to perform its obligations to the extent that such failure is due to Force Majeure. Force Majeure means an occurrence beyond the control of the Party affected, provided that such Party could not reasonably have foreseen such occurrence at the time of entering into the Contract and could not reasonably have anticipated, avoided, controlled or overcome it or its consequences thereby making performance impossible or impracticable. In the event of such an occurrence, the Party affected shall promptly inform the other Party, and shall use its best endeavours to remedy the situation immediately. Each Party shall bear its own costs during the period of Force Majeure. A Force Majeure occurrence shall not be cause for an adjustment to the prices as specified on the Purchase Order nor shall it have any affect upon due payments for work performed prior to the declaration of Force Majeure.

#### **9. TERMINATION**

Supplier shall be entitled to terminate the Contract by giving notice to Purchaser at any time if Purchaser holds any meeting or makes any arrangement or composition with its creditors (whether voluntarily or otherwise) or has a supervisor, receiver, administrator, administrative receiver or other encumbrancer take possession of or appointed over the whole or any part of its assets or if the other ceases or threatens to cease to carry on business or becomes unable to pay its debts or has a petition presented, order made or meeting held to consider an administration order against it, its winding up, bankruptcy or dissolution. Purchaser shall have the right to terminate the Contract by giving notice in writing to Supplier at any time prior to delivery of the Work. On receipt of such notice, Supplier shall immediately discontinue all work for the Contract, shall refrain from placing further orders for materials, facilities or supplies in connection with the execution of the Contract and shall make every reasonable effort to cancel all existing orders or contracts which it has placed or concluded. In such circumstances, Purchaser's shall pay to Supplier all sums properly due in respect of the Work (or terminated part thereof) up to the date of termination; and any direct and substantiated charges already incurred or committed for cancellation of the procurement of Third Party work which was to have been supplied by Supplier in connection with the Work (or terminated part thereof), provided that Supplier shall use its best endeavours to minimise such charges.

#### **10. LIABILITIES AND INDEMNITIES**

Supplier shall indemnify and hold harmless Purchaser Group for any loss or damage to the property of Supplier regardless of cause, notwithstanding the negligence or breach of duty of Purchaser Group. Purchaser shall indemnify and hold harmless Supplier Group for any loss or damage to the property of Purchaser Group regardless of cause, notwithstanding the negligence or breach of duty of Supplier Group. Supplier shall indemnify and hold harmless Purchaser Group for any illness, personal injury including fatal injury and disease of Supplier's personnel regardless of cause, notwithstanding the negligence or breach of duty of Purchaser Group. Purchaser shall indemnify and hold harmless Supplier Group for any illness, personal injury including fatal injury and disease of Supplier Group's personnel regardless of cause, notwithstanding the

negligence or breach of duty of Purchaser group. Purchaser shall indemnify and hold harmless Supplier Group from claims, liabilities, costs, damages and expenses of every kind and nature resulting from personal injury, including fatal injury, and disease and/or loss of or damage to property of third parties arising out of or in connection with the performance of the Purchase Order notwithstanding the negligence or breach of duty of Supplier. Supplier shall indemnify and hold harmless Purchaser Group from claims, liabilities, costs, damages and expenses of every kind and nature resulting from any suit or action brought against Purchaser Group using the Work provided by Supplier for alleged infringement of Patent, Trade Marks, or any other intellectual rights of third parties unless Purchaser supplied or directed use of the infringing item or items. The Parties shall in no event be held liable to each other (or to each other's respective Groups) for indirect losses, including but not limited to loss of production, loss of product, loss of use, loss of revenue profit or anticipated profit, whether held to be direct or indirect loss, loss of opportunity, losses arising or resulting from failure of other contractual commitments or deadlines howsoever arising out of or in connection with the Contract including where caused by the negligence of either party. In any event, Supplier's liability, strict or otherwise, whether based on breach of contract or warranty, or in tort, shall not exceed the contract price.

#### **11. INSURANCE**

The Parties shall procure and maintain, at their sole expense, in full force and effect throughout the duration of this Contract, any insurance which they are obliged to cover under any applicable laws or which shall be adequate in terms of type, coverage and limits to cover their liabilities under this Contract. These insurances are minimum requirements and shall not be construed in any way as limits of liability or as constituting acceptance by Supplier of responsibility for financial liabilities in excess of such limits. Insurances shall be primary and shall not be considered contributory insurance with any insurance provisions of Supplier and shall contain waivers of any rights of recourse including, in particular, subrogation rights arising out of or in connection with the performance of this Contract.

#### **12. CONFIDENTIALITY**

Purchaser shall at no time, without the prior approval of Supplier in Writing, disclose to any Third Party the existence of the Contract or any information concerning the Contract or make any promotional display, announcement or advertisement unless required to do so by law (in which event Purchaser shall consult with Supplier in respect of the content thereof).

#### **13. OWNERSHIP**

All drawings, designs and the specifications supplied by one Party to the other Party under the Contract and all intellectual property rights in them shall remain the sole property of the originator and shall be treated as confidential and shall not be lent, copied or otherwise used or disclosed without the prior consent of the originator in Writing.

#### **14. TAXATION**

Supplier shall be fully and exclusively liable for compliance with and payment of all taxes, duties, levies, customs, licenses, fees, charges and contributions (including any interest or penalties thereon) and all other comparable impositions imposed on Supplier by any governmental authorities arising in connection with the Contract and shall be able to reclaim these costs in full from Purchaser.



#### **15. AMENDMENTS**

The Contract may only be changed or modified by notice in Writing signed by both Parties.

#### **16. GOVERNING LAW AND DISPUTES**

The governing law of this Contract shall be, and all disputes arising in connection with this Contract shall be finally settled, in accordance with the Laws of England. A person who is not a Party to this Contract has no right under the Contracts (Rights of Third Parties) Act 1999 (the Act) to enforce any terms of this Contract, with the exception of Articles 10, 11 and 12.

#### **17. OFFER VALIDITY**

Unless stated otherwise, the price and schedule offered are valid for 30 days from proposal date.

#### **18. CONTACT**

Subsea Riser Products Ltd, 5th Floor Hollywood House, Church St East, Woking, Surrey, GU21 6HJ