

TERMS AND CONDITIONS OF SALES

July 2016

1. Scope of Application

These terms and conditions of sale ("T&C") shall apply to all sales of goods ("Goods") or services ("Services") provided by our company ("Supplier") and are binding on the buyer ("Buyer") and the Supplier. Any order placed with the Supplier shall constitute the acceptance by the Buyer of these T&C, which shall supersede the Buyer's own general terms and conditions of purchase. These T&C shall form, together with the order, the entire contract between the Supplier and the Buyer ("Contract"). No amendment, changes or additional terms proposed by Buyer to these T&C shall be valid unless expressly accepted in writing by the Supplier. These T&C will not supersede separately negotiated terms of a master agreement.

2. Orders

Orders shall become firm and definitive only after written acceptance by the Supplier. The same rule applies to all amendments, changes and additional terms and conditions. In the event of any inconsistencies between these T&C and any particular conditions or orders agreed upon between the Parties in a written agreement, the particular conditions or orders shall prevail. An order may not be cancelled by the Buyer in whole or in part without the prior agreement in writing of the Supplier, including fair and reasonable compensation paid to Supplier.

3. Prices - Payment Terms

Unless otherwise agreed in writing, prices between the Supplier and the Buyer are stated Ex Works, facility designated by Supplier (as per the then current version of Incoterms), plus any applicable value added tax or other taxes, charges or duties, as the case may be.

Unless otherwise agreed in writing, payment shall be made within 30 days from the date of invoice, by bank transfer to the bank account of the Supplier and no discount shall apply for early payment. The Buyer shall be discharged of its payment obligations only upon receipt in the bank account of the Supplier of all sums due.

Subject to any applicable mandatory law, any amounts outstanding after 30 days from the date of the invoice shall bear interest, at the rate of 1.5% per month, without prejudice to any other rights and remedies of the Supplier, including, without limitation, the right to cancel all or part of the Contract, to suspend deliveries and to demand immediate payment for all Goods previously delivered or Services performed. Should the interest rate exceed the maximum amount permitted by law, the outstanding amounts will bear interest at an adjusted rate equal to the maximum rate permitted by law.

If, in the Supplier's reasonable opinion, the Buyer's creditworthiness is or is likely to be compromised, the Supplier shall have the right to request advance payment of all sums due, or any guarantee necessary to secure the payment of the Goods or Services. Should the Supplier not obtain the guarantees requested, it shall have the right to suspend or cancel in whole or in part the Contract without liability.

The Buyer shall not be entitled for any reason to set off or withhold payment of any amount payable under the Contract to the Supplier.

4. Quality – Inspection - Acceptance

The Supplier warrants that the Goods shall conform to the agreed specifications. The Buyer is solely responsible for the choice of the Goods and their specifications. Deviations from measurements, weight, quantity and quality are permissible within the framework of applicable standards or customary practice.

If the Parties have agreed that the Goods are to be inspected by the Buyer at the factory, the Supplier shall give reasonable notice to the Buyer that the Goods are ready for inspection. If the Buyer, or its appointed representative, fails to show up for inspection on the date specified in the notice, the Supplier shall have the right to place the Goods in storage at the cost and risk of the Buyer and to invoice the Goods and storage costs to the Buyer pending release or waiver of inspection. The Buyer is solely responsible for the appointment and shall bear the full cost of any inspector.

The Buyer shall inspect the Goods within 15 days of delivery, failing which the Goods shall be deemed accepted and in conformity with the agreed specifications. The Buyer shall notify the Seller in writing of any non-conformity of the Goods without undue delay. Each claim, if any, shall set forth all relevant available details. The Goods shall then be inspected jointly and the representatives of the Supplier shall be permitted to take such samples and make such investigations as the Supplier deems necessary.

5. Delivery – Transfer of Risks - Storage

All Goods shall be delivered Ex Works, facility designated by Supplier (as per current version of Incoterms in force at the date of entering into the Contract) and unpacked, unless otherwise agreed in writing. The risk of loss to the Goods shall pass to the Buyer upon delivery in accordance with the applicable Incoterm. The Buyer shall insure such risks accordingly. The Buyer shall be responsible for complying with all applicable laws and regulations concerning the importation, exportation and use of the Goods. The Buyer shall be responsible for making any claim or reservation to the carrier within the applicable time limit.

Delivery dates are estimates only. If the Supplier is unable to deliver the Goods or to make the Goods available at the Supplier's factory on the agreed delivery dates, the Supplier shall promptly notify the Buyer of the delay. The Supplier and the Buyer shall discuss in good faith mutually acceptable revised delivery dates. However, in the absence of express agreement of the Supplier when the order is placed, the Supplier shall not be liable for any damages, interest, indemnification or penalty for late delivery. The Supplier is entitled to make partial deliveries of the Goods.

In the event that the Buyer does not accept delivery of the Goods for any reason after having received the Supplier's ready for shipment notice, the Supplier shall have the right, but not the obligation, to complete delivery by transporting and placing the Goods in storage at the cost and risk of the Buyer and to invoice the Goods, transportation and storage costs to the Buyer.

Unless expressly agreed to in writing by Supplier, Supplier shall have no obligation to provide storage for the Goods. If Buyer fails to supply storage in connection with any delivery of Goods, Supplier shall have the right to discharge and store the Goods. The costs and expenses and the risk of loss related to such storage, including transportation, shall be the responsibility of the Buyer. In the event Supplier supplies storage for the Goods at its own facilities, Supplier's Yard Movement and Storage Policy (Storage Policy) in effect at such time shall govern such storage, subject to the risk of loss provisions contained herein.

Supplier reserves the right to modify its Storage Policy at any time in its sole discretion. When Goods are stored for any reason, Buyer will be obligated to insure against any loss accordingly. Buyer will also be obligated to pay any ad valorem or other tax liability related to the Goods.

In the event of a shortage of the goods, Supplier, in its own discretion, may allocate among its customers in such manner as it shall determine.

6. Intellectual Property Rights - Confidentiality

The Contract does not grant any right or license, and no other right or license is to be implied by, or inferred from, any provision of the Contract or by the conduct of the Parties, with respect to any intellectual property right, including without limitation, drawings, specifications, plans, models, samples, process, trade secret, know-how, patents or design of either Party.

The Supplier shall remain the exclusive owner of all intellectual property rights relating to the

Goods or Services, or discovered by the Supplier as a result of, or incidental to, the performance of the Contract.

The Buyer shall keep as strictly confidential and shall not disclose to any third party, nor use for any purpose other than the proper performance of the Contract, any information of whatever nature regarding the Supplier and/or the Goods or Services.

If the Goods are manufactured according to Buyer's design, Buyer shall defend, indemnify and hold harmless Supplier against any claims or liability for patent infringement related to such design.

7. Force Majeure

For the purposes of this Contract, an event of force majeure shall mean any unforeseeable circumstance due to any cause beyond the reasonable control of the Supplier, (including, without limitation, flood, governmental act or regulation, act of God, war, strike, lockout, labour interruption, shortage of labour, serious accident, breakdown or partial failure of plant or machinery, shortage of raw materials and/or means of transport or energy or any act or omission of any third party concerned with the manufacture, processing or delivery of the Goods) which occurs after the execution of the Contract and prevents the performance of all or part thereof, provided however, that force majeure does not justify a suspension of payments for Goods already delivered.

The occurrence of an event of force majeure shall cause temporary suspension of the respective obligations of the Parties for a period equal to the period of the continuing force majeure or the consequences thereof, without any liability or compensation to either Party.

8. Warranty

The Supplier and manufacturer of Goods warrant that, for a period of the lesser of 12 months from installation or 18 months from delivery ("Warranty Period"), the Goods shall be free from hidden defects resulting from faults in material or workmanship which render the Goods non-conforming with the agreed specifications, provided that notwithstanding the Warranty Period set forth above for Goods, the warranty for threaded connections shall only survive for a period of 180 days from delivery. The warranty for Goods (including without limitation threaded connections) shall be void if there is a failure to comply with material handling procedures generally accepted within the industry, and such failure causes the warranty nonconformity. Liability of the Supplier and the manufacturer of Goods under this warranty is limited to repair of the defective Goods, replacement of the defective Goods at the agreed delivery point or refund of the price paid for the defective Goods, at the Supplier's option.

The Supplier's and manufacturer's warranty applicable to the original Goods shall also apply to the repaired or replaced Goods for the same period applicable under this Article 8 after completion of repair or replacement under this warranty.

The foregoing warranty shall not apply to normal wear and tear, damage caused by the Buyer or a third party, or any misuse of the Goods.

With respect to Services, Supplier warrants it will perform all Services in a workmanlike manner. Supplier's sole liability and Buyer's exclusive remedy in any case of action alleging breach of this warranty or any claim related to a defect in Services provided by Supplier is expressly limited to the re-performance of such Services, at Supplier's cost, or the allowance to Buyer of a credit for the cost of such Services at Supplier's option.

The supplier's and manufacturer's obligation under this article shall be the buyer's sole and exclusive remedy with respect to defective goods and services and the supplier and manufacturer give no other warranty or guarantee, express or implied, including (without limitation) any warranties of merchantability or fitness for a particular purpose and all warranties, conditions or other terms express or implied by statute or common law are hereby disclaimed to the fullest extent permitted by law.

The Buyer shall notify the Supplier in writing of any warranty claim without undue delay. If the Buyer resells the Goods or is subcontracting for the Services, the Buyer shall cause the substantive terms of Articles 8 and 9 to apply to the resale of Goods or primary contract for Services, without reservation. If the Buyer fails to do so, it shall indemnify the Supplier and manufacturer in respect of all expenses, claims or damages in excess of the warranty and damage limitations set out in Articles 8 and 9.

9. Limitation of Liability – Time-Barring of Legal Action

Notwithstanding any provision to the contrary elsewhere in this Agreement, Buyer shall release, save, protect, defend, indemnify and hold Supplier Group harmless from and against any of Buyer Group's Consequential Loss (as defined herein) arising from, relating to or in connection with the performance or non-performance of this Agreement regardless of whether allegedly or actually caused or contributed to in whole or in part by a pre-existing defect, Supplier Group's sole, joint or concurrent negligence or strict liability, breach of duty (statutory or otherwise) or other legal fault of any person, party or entity, even where liability arises out of the willful misconduct of Supplier Group. If Consequential Losses are awarded (directly or indirectly) by an arbitral panel, a judicial body or a government tribunal or agency, to a Third Party against Supplier Group, such Consequential Losses shall not be excluded from any indemnity obligation of Buyer for such judgment or award. "Consequential Loss" means: (a) any indirect, special, incidental, punitive, exemplary or consequential loss or damage however caused or arising whether under contract, by virtue of any fiduciary duty, in tort or delict (including without limitation negligence), as a consequence of breach of any duty (statutory or otherwise) or under any other legal doctrine or principle whatsoever whether or not recoverable under law or equity; and (b) loss and/or deferral of production, loss of product, loss of or damage to well or reservoir, loss of data, loss of use, loss of bargain, contract expectation or opportunity and loss of revenue, profit or anticipated profit (if any) whether direct or indirect to the extent that these are not included in (a) above, whether or not such losses were foreseeable at the time of entering into this Agreement.

Notwithstanding any provision to the contrary elsewhere in this Agreement the supplier and manufacturer shall in no case have any liability for loss or damage of any kind whatsoever arising from or related to nuclear activities (including without limitation radioactive, toxic or explosive hazards).

Any legal action on any grounds, whether based on warranty, in tort, under contract or otherwise at law, must be commenced by the Buyer within 3 (three) months from the date of the end of the warranty period.

10. Indemnification

The Supplier shall defend, indemnify and hold the Buyer Group harmless from and against any loss, liability, damage, claim, cost, legal and other expenses resulting from (i) bodily injury to, or sickness or death of any director, employee or servant who is a member of the Supplier Group, or (ii) damage to Supplier Group's property (real or personal), regardless of the cause of such injury, loss or damage; and

The Buyer shall defend, indemnify and hold the Supplier Group harmless from and against any loss, liability, damage, claim, cost, legal and other expenses resulting from (i) bodily injury to, or sickness or death of any director, employee or servant who is a member of the Buyer Group, or (ii) damage to Buyer Group's property regardless of the cause of such injury, loss or damage; and (iii) all subsurface damage, surface damage resulting

from subsurface activities, damage from burning of hydrocarbons, whether to property or persons, including without limitation loss, costs or expenses arising from pollution, contamination, fire, blow-out, cratering, seepage, loss of control of well, reservoir damage or any other uncontrolled flow of oil, gas, water or other substance.

The indemnities given above in this clause shall 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 whether any claim is based in tort, under contract or otherwise at law.

The Supplier shall defend, indemnify and hold the Buyer Group harmless from and against any loss, liability, damage, claim, cost, legal and other expenses resulting from 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 Supplier Group

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For the purposes of this clause, "Buyer Group" means Buyer, its co-venturers, its and their respective affiliates and its and their respective directors, officers and employees (including agency personnel), but shall not include any member of the Supplier Group. "Supplier Group" shall mean Supplier, its subcontractors, its and their affiliates, its and their respective directors, officers and employees (including agency personnel), but shall not include any member of the Buyer Group, and "Third Party" shall mean any party which is not a member of the Buyer Group or the Supplier Group.

11. Applicable Law – Arbitration

These T&C and any Contract shall be governed in accordance with the laws of Texas unless otherwise agreed in writing. The provisions of the United Nations Convention on Contracts for the International Sale of Goods adopted in Vienna on April 11, 1980 shall not apply to any order or Contract. Disputes shall be finally settled by an arbitration panel, in accordance with the latest current version of the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. Arbitration proceedings shall be conducted in Houston, Texas, and in the English language. The decision of the arbitrators shall be final, binding and enforceable upon the parties and judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. In the event that the failure of the Supplier or the Buyer to comply with the decision of the arbitrators requires either party to apply to any court for enforcement of such award, the non-complying party shall be liable to the other for all cost of such litigation including attorneys' fees.

12. Miscellaneous

The Supplier shall be entitled, without prejudice to its other rights and remedies, either to terminate all or part of any or every Contract or to suspend any deliveries if the Buyer becomes insolvent, files for bankruptcy, becomes the subject of an involuntary bankruptcy proceeding which continues for 60 days without dismissal or enters into any arrangement or agreement (including a voluntary arrangement or agreement) with its creditors, or has passed a resolution for voluntary winding up. If Buyer defaults in making payment, Supplier shall be entitled to recover from Buyer all costs of collection, including but not limited to, collection fees, attorney fees and court costs.

The Buyer shall not sub-contract or assign all or any part of its respective rights or obligations under the Contract to any third party. However, the Supplier shall have the right to have all or part of the Contract performed by one of its subsidiaries, an affiliated company or a regularly used subcontractor.

Any failure by the Supplier to enforce any provision of these T&C shall not be deemed to be a waiver of such provision.

The Buyer represents that it conducts its business according to ethical rules in compliance with applicable laws, rules and regulation.

If any provision of these T&C or any Contract is found to be void, invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not impair or affect the remaining provisions of these T&C or any Contract or the validity or enforceability of such provision in any other jurisdiction.