



PURCHASE ORDER TERMS AND CONDITIONS (Short Form)

1. DEFINED TERMS AND INTERPRETATION

- (a) "AFFILIATE" means in relation to a company, any company that is either (a) a subsidiary of such company, (b) a company of which such company is a subsidiary, (c) the holding company of such company, or (d) any other subsidiary of the holding company of such company. For the purposes of this definition, "subsidiary" and "holding company" shall have the meaning assigned to them under Section 1159 of the Companies Act, 2006, as amended.
- (b) "COMPANY" means Ener-G Services.
- (c) "COMPANY GROUP" means COMPANY and its AFFILIATES, the CO-VENTURERS and their AFFILIATES and COMPANY'S other contractors, excluding contractors providing air transportation, and their respective subcontractors (of any tier), and the agents, officers, directors and employees of all of them.
- (d) "COMPANY REPRESENTATIVE" means the person identified as such on the face of the ORDER.
- (e) "CONTRACT" means these General Terms and Conditions and the Purchase Order ("ORDER") to which these General Terms and Conditions are attached (as amended by any special conditions that may be agreed) and any specifications, drawings or other documents attached or referred to on the face of the ORDER.
- (f) "CO-VENTURERS" means any other entity with whom the COMPANY is or may be from time to time a party to a joint operating agreement or unitisation agreement or similar agreement relating to the operations for which the GOODS are being provided and the successors in interest of such CO-VENTURER or the assignees of any interest of such CO-VENTURER.
- (g) "DELIVERY DATE" means the date(s) upon which the GOODS shall be delivered as specified in the ORDER
- (h) "GOODS" means any and all materials, plant, equipment, goods, products or other articles which SUPPLIER is required to provide, in accordance with the ORDER
- (i) "ORDER" means the contract formed by the acceptance of this purchase order and shall incorporate these Purchase Order Terms and Conditions
- (j) "PARTY" means COMPANY or SUPPLIER as the context so permits and "PARTIES" means both of them together.
- (k) "SUPPLIER" means the person or firm or company to whom this CONTRACT has been issued.
- (l) "SUPPLIER GROUP" means SUPPLIER and its AFFILIATES, SUB-CONTRACTORS (of any tier) and their affiliates, and the agents, officers, directors and employees of all of them.
- (m) "SUPPLIER REPRESENTATIVE" means the person identified as such on the face of the ORDER.
- (n) "WILFUL MISCONDUCT" means intentional, conscious or reckless disregard of any provisions of the CONTRACT by any director, officer, or employee of any PARTY or by any other personnel, agent or contractor of the PARTY in question in the exercise of any function, authority or discretion conferred upon respectively such PARTY thereunder, but shall not include any error of judgement or mistake made in the exercise in good faith of any function, authority or discretion vested in or exercisable by any such director, officer, or employee, or by any other personnel, agent or contractor of the PARTY in question.

In the event of any conflict between these General Terms and Conditions and any special conditions agreed between the COMPANY and any member of SUPPLIER GROUP in relation to the ORDER, the special conditions shall prevail. These General Terms and Conditions shall have precedence over any conditions appearing on any acceptance form or other document or letter emanating from any member of SUPPLIER GROUP in connection with performance of this ORDER, and such conditions shall have no effect whatsoever. **SUPPLIER shall not commence delivery of the GOODS before signing and returning to COMPANY a copy of the ORDER. If SUPPLIER or any member of SUPPLIER GROUP commences delivery of the GOODS or submits an invoice under this ORDER without having signed the ORDER, SUPPLIER shall be deemed to have accepted the terms and conditions herein without exception.**

2. GOODS/SERVICES

SUPPLIER will sell the GOODS to the COMPANY on the terms set out in the ORDER.

3. TITLE TO GOODS



SUPPLIER shall have title to and bear the risk of loss or damage to the GOODS, until their delivery to the destination described in the ORDER, or pursuant to Clause 4 – Hazardous Materials or Clause 10 – Rejection.

4. HAZARDOUS MATERIALS

SUPPLIER will ensure that the GOODS will comply with the requirements of law and, to the extent that they contain toxic, corrosive, or hazardous materials, SUPPLIER will ensure that a notice to that effect accompanies each consignment, together with appropriate care and handling instructions.

GOODS supplied under the ORDER, which are contaminated beyond use, at the time of delivery, shall be regenerated or disposed of by SUPPLIER. The title and risk of the contaminated GOODS will transfer to SUPPLIER, at the time contamination is identified and notified to SUPPLIER, who will bear all expenses for the said processes.

5. QUALITY AND SAFETY

The GOODS shall be supplied in accordance with the specifications or drawings (if any) attached to the ORDER and comply with the requirements of law. In the absence of any specifications or drawings the GOODS shall be of the best quality of their respective type, free from defects and hazards and fit for the purpose for which they are intended. SUPPLIER shall be responsible for safe execution of all processes leading to delivery of the GOODS.

6. DELIVERY DATE

SUPPLIER shall deliver the GOODS to COMPANY on the delivery date or dates pursuant to the ORDER. SUPPLIER shall notify COMPANY of any event likely to cause a delay within twenty-four (24) hours of that event first becoming apparent to SUPPLIER. COMPANY and SUPPLIER shall endeavour to agree a mutually acceptable revised DELIVERY DATE. However, in the event that COMPANY and SUPPLIER cannot agree, COMPANY shall have the right to terminate the ORDER and recover from the SUPPLIER the direct losses sustained as a result of the delay up to an amount not to exceed the value of the ORDER.

7. DELIVERY POINT

SUPPLIER shall deliver the GOODS carriage paid to COMPANY or alternatively as specified on ORDER at the destination specified in the ORDER. The GOODS shall be adequately packed and protected for shipment and short-term storage. Signature, by COMPANY, of any GOODS received notes or similar SUPPLIER'S documents shall denote GOODS received unchecked and shall not denote acceptance. COMPANY shall notify SUPPLIER of any discrepancies in the GOODS within seven (7) days of their delivery.

8. MANUFACTURING PROGRESS

SUPPLIER shall prepare (and provide COMPANY with copies of) such schedules as may be necessary for orderly production of the GOODS. SUPPLIER shall afford access to and shall co-operate with COMPANY for the purpose of monitoring and expediting progress.

9. INSPECTION AND TESTING

SUPPLIER shall inspect the GOODS and certify them to be in accordance with the ORDER. SUPPLIER shall allow access to COMPANY during manufacture, whether at SUPPLIER'S premises or otherwise, for the purpose of inspection and testing of the GOODS. Any inspection, approval or release shall not constitute acceptance of the GOODS.

10. REJECTION

Should COMPANY find any of the GOODS not to be in accordance with the ORDER COMPANY may, prior to effecting payment for the GOODS, reject defective or deficient GOODS and purchase conforming GOODS elsewhere. Before exercising this right to purchase GOODS elsewhere COMPANY shall afford to SUPPLIER the right to repair or replace defective or deficient GOODS or to substitute non-conforming GOODS with conforming GOODS at no cost to COMPANY. Title and risk in and to any rejected GOODS shall re-vest in SUPPLIER on return to SUPPLIER.



11. WARRANTY

SUPPLIER warrants that the GOODS shall be delivered to COMPANY in accordance with the requirements of Clauses 4 and 5. Should any defects, deficiencies or non-conformities become apparent within either twelve (12) months from putting into service or eighteen (18) months of delivery, whichever the shorter, COMPANY shall notify SUPPLIER accordingly and, notwithstanding the provisions of Clause 10, SUPPLIER shall repair or replace such defective, deficient or non-conforming GOODS to COMPANY'S satisfaction. Repairs and/or replacements shall themselves be subject to the foregoing warranty obligations for a further twelve (12) month period.

If SUPPLIER is notified by COMPANY to repair or replace the GOODS found to be deficient, defective or non-conforming and SUPPLIER states, or by its actions indicates, that it is unwilling to effect the repairs or replacements COMPANY may, upon written notice to SUPPLIER, accomplish repairs or replacements and COMPANY'S costs so incurred shall be for SUPPLIER'S account.

Should COMPANY elect to perform repairs or replacements offshore (that would otherwise have been the responsibility of SUPPLIER) then SUPPLIER shall be notified accordingly and an amount equal to SUPPLIER'S cost that SUPPLIER would have incurred in effecting the remedial works at its own premises, shall be for SUPPLIER'S account.

12. DOCUMENTATION AND MANUALS

SUPPLIER shall when required supply all relevant data and documentation relating to the order to enable the customer to satisfy the appropriate certification bodies.

13. DRAWING APPROVAL

Where applicable SUPPLIER shall submit drawings, specifications and any other relevant data to COMPANY for review and approval. Such review and approval shall not relieve SUPPLIER of its obligations under the ORDER.

14. PAYMENT

The price COMPANY has agreed to pay for the GOODS is set out in the ORDER. Value Added Tax, where applicable, shall be shown separately on SUPPLIER'S invoice.

SUPPLIER shall submit invoices to COMPANY in an acceptable format at or after the time of delivery of the GOODS. Each invoice shall quote the ORDER number and be accompanied by such documentation as COMPANY may reasonably require to verify correctness of items invoiced. COMPANY shall effect payment to SUPPLIER within thirty (30) days of receipt of a correctly presented invoice. Payment shall not be deemed to be acceptance of the GOODS.

Invoices shall be submitted to COMPANY at Ener-G Services Unit 24, Robert Leonard Centre, Dyce, AB21 0GG

15. ASSIGNMENT AND SUB-CONTRACTING

This ORDER shall neither be assigned by SUPPLIER nor sub-contracted in whole or in part without COMPANY'S prior written consent. The restriction contained in this Clause 15 shall not apply to sub-contracts for minor materials or details or for any part of the GOODS for which sub-contractors have been nominated in the ORDER. SUPPLIER shall remain primary responsible for items supplied or work done by sub-contractors.

Unpriced copies of each approved sub-contract document shall be sent promptly, by SUPPLIER to COMPANY, upon request.

16. FORCE MAJEURE

Neither a failure nor an omission by either COMPANY or SUPPLIER to carry out or observe any of the stipulations, conditions or obligations described in the ORDER shall give rise to any claim against the other



PARTY or be a breach of contract if such failure or omission arises from a cause reasonably beyond the control of the PARTY claiming force majeure.

17. PROPRIETARY INFORMATION AND PATENT INDEMNITY

“PROPRIETARY INFORMATION” shall mean all data and/or information which SUPPLIER and its directors, employees, servants, and/or agents directly or indirectly acquire from COMPANY GROUP or from the provision of the GOODS or any other information concerning the technical and business activities and know-how of COMPANY GROUP. SUPPLIER shall not disclose any PROPRIETARY INFORMATION to any third party nor use PROPRIETARY INFORMATION, other than on COMPANY'S behalf except as COMPANY may otherwise authorise in writing.

SUPPLIER shall be liable for and shall defend, indemnify and hold COMPANY harmless from and against any and all claims for infringement of patent, design, trade mark, copyright or any other intellectual property right arising from the use or sale of the GOODS and against all costs and damages for which COMPANY may become liable in any such action. SUPPLIER shall promptly secure the lawful use of the GOODS or at its option substitute the same with non-infringing GOODS. This indemnity shall not extend to instances in which the alleged infringement relates to the GOODS for which COMPANY has been solely responsible for the design.

18. LAWS AND REGULATIONS

SUPPLIER warrants that it shall comply fully and at all times with such national and local laws, regulations, rules and orders as may be applicable in both the jurisdictions where the GOODS are manufactured and delivered and SUPPLIER shall indemnify, defend and hold COMPANY harmless from and against any and all claims, demands, causes of action, losses, liabilities, costs and expenses (including but not limited to all related legal costs and expenses) imposed or asserted against COMPANY as a result, or by reason, of the failure or alleged failure of SUPPLIER to fully comply therewith.

19. LIABILITY AND INDEMNITY

SUPPLIER shall be responsible for, indemnify, defend and hold COMPANY GROUP harmless from and against any and all claims, demands, causes of action, losses, liabilities, costs and expenses (including but not limited to all related legal costs and expenses), in respect of:

- (a) personal injury to or sickness disease or death of the officers, employees and agents of SUPPLIER GROUP; and
- (b) damage to or loss of any property owned by SUPPLIER GROUP or hired or leased by SUPPLIER GROUP under other agreements, arising from, relating to, or in connection with the performance or non-performance of the ORDER from any cause whatsoever including but not limited to that caused or contributed to by the negligence, breach of duty (whether statutory, contractual or otherwise) and/or other legal fault of COMPANY GROUP, but excepting any to the extent caused or contributed to by the WILFUL MISCONDUCT of COMPANY GROUP.

COMPANY shall be responsible for, indemnify, defend and hold SUPPLIER GROUP harmless from and against any and all claims, demands, causes of action, losses, liabilities, costs and expenses (including but not limited to all related legal costs and expenses) in respect of:

- (a) personal injury to or sickness, disease or death of the officers, employees and agents of COMPANY GROUP; and
- (b) damage to or loss of any property owned by COMPANY GROUP or contracted to COMPANY GROUP under other agreements, arising from, relating to, or in connection with the performance or non-performance of the ORDER from any cause whatsoever including but not limited to that caused or contributed to by the negligence, breach of duty (whether statutory, contractual or otherwise) and/or other legal fault of SUPPLIER GROUP, but excepting any to the extent caused or contributed to by the WILFUL MISCONDUCT of SUPPLIER GROUP.

20. SPARES



SUPPLIER shall give sufficient notice to the COMPANY of its intention to cease supply of GOODS, component parts or replacements, to enable the COMPANY to purchase such GOODS, component parts or replacements.

21. INSURANCE

COMPANY and SUPPLIER shall maintain levels of insurance sufficient to cover their respective liabilities and obligations under the ORDER and at law.

22. CONSEQUENTIAL LOSS

Neither COMPANY nor SUPPLIER shall bear any liability under the ORDER or at law, arising out of or in connection with the subject matter of the ORDER, to the other in respect of any indirect or consequential losses or damages, including but not limited to loss of production, loss of profits, loss of business or any indirect or other consequential loss or damage, suffered by the other irrespective of whether such loss was caused by or contributed to by the sole or concurrent negligence or breach of duty, whether statutory or otherwise, of either party.

23. CONFIDENTIALITY

COMPANY and SUPPLIER shall keep the ORDER and any information, which either party learn about the other in strict confidence and will not disclose the same to any third party without the prior written consent of the other party.

24. TERMINATION

COMPANY may at its absolute discretion immediately terminate all or any part of the ORDER at any time and where SUPPLIER is not in default of the ORDER, COMPANY agrees to pay SUPPLIER for such of the GOODS delivered and SUPPLIER'S costs pursuant to the ORDER up to the time of termination, but such sum shall in no event exceed the price set out in the ORDER and in no event shall COMPANY be liable for the loss of any anticipated profits. SUPPLIER shall forward to COMPANY all completed or uncompleted drawings, reports and other documents

Clauses 17, 19, 22, and 23 shall survive the expiration or any termination of the ORDER.

25. LAW

This ORDER shall be governed by and construed in accordance with the laws of Scotland and shall be subject to the exclusive jurisdiction of the Scottish Courts.

A person who is not a party to the ORDER (a "Third Party") shall have no right under the Contracts (Rights of Third Parties) Act 1999 (the "Act") to enforce any term of the ORDER or any amendment hereto. The foregoing provisions of this Clause 24 shall not affect any right or remedy of such Third Party which exists or is available apart from the Act.

26. ENTIRE AGREEMENT

This ORDER constitutes the entire agreement between the parties with respect to the GOODS and supersedes all prior negotiations, representations or agreements related to the ORDER, either written or oral. No variations to the ORDER shall be effective unless evidenced in writing and signed by the PARTIES to the ORDER.

27. SPECIAL TERMS

SUPPLIER and COMPANY agree that any special conditions set out in the ORDER will take precedence over the general terms and conditions set out above.



END OF PURCHASE ORDER SHORT

FORM TERMS & CONDITIONS.