

General Terms and Conditions of Purchase

Iteco Oilfield Supply GmbH, Ratingen, Germany

I. Scope

1. These General Terms and Conditions of Purchase shall apply to all – including future – orders of goods and commissioning of services and their completion. In the absence of an agreement to the contrary in these Terms and Conditions or in the contract concluded with the seller, any conflicting or deviating terms and conditions of the seller or service provider shall not be accepted. Acceptance of the goods without express objection shall not be deemed acceptance of the terms and conditions of the seller.
2. No verbal ancillary agreements have been made.
3. **All changes and amendments to the contract shall be required in writing. The same shall apply to the waiver of the requirement of written form.**
4. Offers shall be prepared free of charge for us and shall be non-binding.
5. In case of doubt about the interpretation of the terms of trade, the Incoterms as amended on conclusion of the contract shall be authoritative.

II. Prices

1. All agreed prices shall be fixed prices free receiving centre.
2. Prices quoted as "free receiving centre", "free destination" and other "free" deliveries shall include all freight and packaging costs. Packaging shall only be paid where a charge has been expressly agreed. In such case, 2/3 of the charge for the packaging shall be credited to us on freight paid return to the sending centre.

III. Payment

1. Invoices shall be issued immediately on completion of the delivery or service – not with the consignment. Invoices for monthly deliveries or services shall be issued by the 3rd working day of the following month at the latest. Invoices for part deliveries or services shall be indicated as such. Failing an agreement to the contrary, invoices shall be settled either within 30 days less 2% cash discount or by the end of the month following the delivery or service using a method of our choice. Such methods shall include discountable acceptances outstanding or customer bills of exchange. On payment in acceptances outstanding or customer bills of exchange, we shall reimburse reasonable discount charges based on the applicable base interest rate, calculated as at the date of the presentment of the bill of exchange.
2. Invoices not received within the periods specified shall not be paid until the end of the month following the receipt of the invoice, on the same terms and without interest payment, less any additional costs we may have incurred due to the late arrival of the invoice, specifically for bank guarantees arranged by us.
3. Payment and cash discount periods shall commence on receipt of the invoice, but not prior to receipt of the goods or, for services, not prior to their acceptance and, where documentation, test certificates (e.g. factory certificates) or similar documents are included in the scope of services, not prior to their contractual delivery to us.
4. Payments shall be effected by cheque or bank transfer. Payments shall be deemed on time when the cheque has been posted on the due date or the transfer arranged on the due date.
5. Interest after the due date shall not be accepted. The default interest rate shall be 5% above the base interest rate pursuant to § 247 BGB (German Civil Code). At all events, we shall be entitled to prove lower damage caused by delayed performance than claimed by the seller.
6. We shall have the right of offsetting and retention to the extent established by law.
7. Based on the authorisation granted to us by Iteco Oilfield Supply SAS, Paris, France
Iteco Oilfield Supply Middle East FZE, Dubai, United Arab Emirates, and
Iteco Oilfield Middle East FZE, New Delhi, India,

we shall have the right to offset against any claims of the seller against us or any of the aforementioned companies, irrespective of the legal ground. The same shall apply where one party has agreed payment in cash and the other payment by means of a bill or other services on account of performance. Where applicable, these agreements shall only apply to the balance. Where the claims are due at different times, our claims in this regard shall fall due at the latest on the due date of our liabilities and shall be offset against the specified value.

IV. Delivery periods/defaults in delivery/passage of risks

1. All dates of delivery agreed with us shall be absolutely binding (relative fixed-date purchase).
2. Part deliveries shall only be permitted with our written consent. Anticipated delays in delivery shall immediately be notified in writing. At the same time, we shall be offered suitable countermeasures to prevent resulting consequences. Excess or short deliveries shall only be permitted as customary in the trade.
3. In the absence of a written agreement to the contrary, the delivery period shall commence on the date of the binding order.
4. All shipping documents, operating instructions and other written confirmation as part of the performance of delivery of the seller shall be sent to us on the date of shipment.
5. Where the seller defaults in delivery, we shall have the right to assert statutory claims. Specifically, we shall be entitled after unsuccessful expiry of a reasonable period of grace granted by us, to claim damages instead of performance. Our entitlement to delivery shall not expire until payment of damages by the seller.
6. Notwithstanding the above, where deliveries are delayed for reasons for which the seller is responsible, we shall be due payment of a contractual penalty, which, failing an agreement to the contrary, shall be ½% of the purchase price for each week of delay, or part thereof, up to a maximum of 5%. Without prejudice to the above, where we have specified a ship for shipment of the material and the seller has accepted this ship, the seller shall be liable for the costs for demurrage, dead freight, etc., if the material – irrespective of the reason – is not shipped or shipped late.
7. Early deliveries made without our consent shall not affect the periods of payment relating to the agreed delivery date.
8. Where circumstances of force majeure, strike or lockouts considerably hinder or prevent the performance of our contractual duties, we shall

have the right to cancel the contract, or parts thereof, or request performance at a later date without resulting in claims of the seller against us.

9. The seller shall not have the right to file claims against us by reason of failure to receive necessary documents to be provided by us, unless it has failed to receive these documents even after a written reminder.
10. The seller shall bear the risk of accidental perishing or accidental deterioration of the goods, including "free" and "free destination" deliveries, until delivery to the destination.

V. Retention of title

1. In regard to the rights of the seller to retention of title, the terms of the seller shall apply subject to the proviso that the title in the goods shall pass to us on payment of the goods. Consequently, the extended form of the so-called current account reservation shall not apply.
2. The seller may claim a return of the goods based on the retention clause only if it has previously withdrawn from the contract.

VI. Declarations of origin

Where the seller makes a declaration in regard to the origin of the goods, the following terms shall apply:

1. The seller shall allow verification through customs authorities and submit all necessary information and any required certification.
2. The seller shall compensate us for any damages and losses incurred by us if and in so far as the competent authorities, due to any deficient certification or impossibility to verify, fail to acknowledge the declared origin, unless the seller can prove that it is not responsible for such consequences.

VII. Liability for defects

1. The seller shall deliver the goods free of any material defects and deficiencies in title.
2. The seller shall waive the defence of delayed notice of defects (§377 HGB – German Commercial Code) for other than obvious defects.
3. In the event that the goods or services are defective, we may exercise our statutory rights. Expenditure required for subsequent performance shall also include the expenses of our customer.
4. The warranty period for repaired or replaced goods shall begin again.
5. In case of third party warranty claims against us, the seller shall hereby indemnify us against any resulting damages.
6. The period of limitation for our claims based on defect shall commence on delivery of the goods or acceptance of the services. For claims arising from, or in connection with the delivery of goods, the liability of the seller for defects shall end two years after delivery of the goods. Claims arising from or in connection with the delivery of goods customarily used for building construction shall become statute-barred five years after their delivery. In all other respects, the statutory periods shall apply.

VIII. Place of performance, jurisdiction, applicable law, contract language and miscellaneous

1. Unless otherwise agreed, the place of performance for the deliveries shall be Neuss.
2. The exclusive place of jurisdiction for all legal disputes shall be the registered seat in Neuss. We may also file an action against the seller or service provider at its venue.
3. All legal relations between us and the buyer shall be subject to the law governing the legal relations of domestic parties at our seat, to the exclusion of foreign law. The regulations of the UN Sales Convention (CISG) shall not apply.
4. The seller shall ensure at its own expense and without delay that all requirements for the effectiveness of the contract in the seller's country, e.g. export licences, are available and remain valid for the term of the contract. Where the seller fails to fulfil this obligation, the buyer shall have the right to withdraw from the contract, and in any case to claim damages from the seller. The same shall apply where required licences or authorisations, for example, are not granted within a reasonable period acceptable to the buyer despite the efforts of the seller, or these are revoked or become invalid.
5. The contract language shall be German. Where contracts are translated into a different language, the German version shall prevail in all questions of interpretation.
6. Should any individual provision or any part of any provision of these General Terms and Conditions be or become void or unenforceable, the validity of the remaining provisions hereof shall in no way be affected. In such case, the parties shall agree to replace the void and/or unenforceable provision or provisions by relative provisions coming as close as possible to the sense and purpose of the deleted section while safeguarding the interests of both parties. The statutory provisions shall apply to all other issues not settled in these Terms and Conditions of Sale, Delivery and Payment.