

General Terms and Conditions of Delivery and Payment

Iteco Oilfield Supply GmbH, Ratingen, Germany

I. Scope / Offers

1. These General Terms and Conditions shall apply to all – including future – delivery and other service contracts inclusive of consulting work, recommendations and other ancillary services. No terms and conditions of purchase of the buyer shall be accepted even if we have not expressly objected to them again upon receipt.
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.
3. Any offers contained in brochures, advertisements, other printed matter and electronic publications – including prices – shall be subject to change without notice and without obligation.
4. Offers specifically prepared by us shall be binding for a period of 10 days.
5. Offers submitted by the buyer for the conclusion of a contract shall be binding for 3 weeks. If we do not reject the offer within 3 weeks after placement of the order, the offer shall be deemed accepted. The buyer shall waive the receipt of a declaration of acceptance. In case of sale from stock, the offer of the buyer shall be binding for 3 days.
6. In case of doubt about the interpretation of the terms of trade, the Incoterms as amended shall prevail.
7. Despite best possible determination, all particulars such as dimensions, weights, illustrations, descriptions, assembly and other drawings in sample books, price lists and other printed matters shall only be approximates and in this respect shall not be binding for us. The same shall apply to particulars provided by the works. All models and drawings shall remain our property.

II. Prices

1. All prices shall be ex works or warehouse and exclude freight, VAT, customs and excise duties, insurance premiums and other third-party costs.
2. Notwithstanding item II. 1., where customs and excise duties, freight, insurance premiums or other third-party costs included in the agreed price increase after four weeks from conclusion of the contract or where these arise for the first time, we shall be entitled to amend our prices accordingly.
3. We shall reserve the right to increase the agreed price for quantities still outstanding if a change in the raw material and/or economic situation results in circumstances which make the production and/or purchase of the product in question considerably more expensive than anticipated at the time of price agreement. In such case, the customer shall be entitled to cancel any orders affected within four weeks from notification of the price increase.
4. We shall also have the right to increase the agreed price if the delivery period is subsequently extended for reasons specified in IV. 4., the material or the design require changes on grounds of the fact that the documentation and/or instructions provided by the buyer were not in accordance with the actual circumstances or were incomplete or if we fail to receive the particulars required for the execution of the order in time or the buyer subsequently amends these by mutual agreement, thus causing a delay in the delivery.

III. Payment and offsetting

1. In the absence of an agreement to the contrary or unless otherwise specified in our invoices, the purchase price shall be due immediately on delivery without cash discount deduction and shall be paid such that the full amount is available to us on the due date. All costs related to the payment transaction shall be borne by the buyer.
2. The buyer shall not have the right of retention or of offsetting unless its counterclaims have not been contested, have become res judicata or are ready for a decision.
3. Where the delivery is delayed for reasons for which we are not responsible, the full invoice amount shall be due within 14 days from notification of readiness for dispatch or after dispatch from our works. In such case, the buyer shall be obliged at our request to change the terms of the credit accordingly.
4. Where the credit period is exceeded or payment is delayed, we shall charge interest in the amount of 8% per cent above the base interest rate under § 247 BGB (German Civil Code), unless higher interest rates have been agreed. We shall reserve the right to claim further damages due to default.
5. The buyer shall be in default 10 days after the due date and receipt of the invoice/payment schedule or receipt of the services at the latest.
6. Based on the authorization 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 buyer 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.
7. Where we become aware of circumstances which, after due assessment, appear to impair the creditworthiness of the buyer, we shall have the right to refuse outstanding deliveries or effect performance only after pre-payment or provision of collateral. We shall also be entitled to accelerate the maturity of all claims against the buyer under the current contract which are not barred by limitation.
8. Any cash discounts agreed shall only apply to the invoiced amount, excluding freight, and shall be subject to full settlement of all outstanding liabilities of the buyer at the time of discounting.

IV. Performance of deliveries, delivery periods and dates

1. Our delivery commitment shall be subject to correct and punctual supply to ourselves, unless such incorrect or delayed supply is due to reasons for which we are responsible.
2. All details of delivery periods shall be approximates. Delivery periods shall commence on the date of our order confirmation and shall only apply on condition that all specifics of the contract have been duly clarified and that all obligations of the buyer have been performed on time, including the procurement of official certificates, the furnishing of letters of credit and guarantees or the payment of advances.
3. The time of dispatch from our works or warehouse shall be decisive for

determining our compliance with the delivery periods and dates. Where goods cannot be dispatched on time for reasons for which we are not responsible, the periods and dates shall be deemed to have been observed on notification of readiness for dispatch.

4. Circumstances of force majeure shall entitle us to postpone the delivery for the duration of the interference and an appropriate start-up period. This shall also apply where such circumstances occur during an ongoing delay. Force majeure shall include all monetary and commercial policy or other sovereign measures, strikes, lockouts, interruption of operations for reasons for which we are not responsible (e.g. fire, machine or roller breakage, raw material or energy shortages), obstruction of the traffic infrastructure, delays in import/customs procedures, and any other circumstances which considerably hinder or prevent deliveries for reasons for which we are not responsible. It is irrelevant whether these circumstances occur at our end, at the supplier or at a sub-supplier. Where the execution of the contract is rendered unreasonably hard for either party due to the above circumstances, specifically where the execution of material parts of the contract is delayed for periods exceeding 6 months, the party affected shall have the right to terminate the contract.

V. Reservation of title

1. All goods supplied by us shall remain the property of Iteco Oilfield Supply GmbH, Ratingen, Germany (conditional goods) until all claims have been satisfied, specifically any current balances due to us under the contract (current account reservation) and any claims established by the insolvency administrator of the buyer on a unilateral basis as part of his power of enforcement. The same shall apply to future and qualified claims, e.g. based on acceptor's bills, and also where payments are made on specified claims. The current account reservation shall definitely expire on settlement of all claims still outstanding at the time of payment and subject to this current account reservation.
 2. The machining and processing of conditional goods for us as manufacturers shall be subject to § 950 BGB, without obligations on our part. The machined and processed goods shall be deemed conditional goods within the meaning of item 1. Where conditional goods are processed, combined or mixed by the buyer with other goods, we shall have a pro-rata joint ownership in the new product in relation to the invoiced amount of the conditional goods to the invoiced amount of the other goods used. Where our ownership expires due to combination or mixing, the buyer shall herewith transfer to us its ownership rights in the new goods or products to the extent of the invoiced amount of the conditional goods and shall store these for us free of charge. Our joint ownership rights shall be deemed conditional goods within the meaning of item 1.
 3. The buyer may sell the conditional goods only in ordinary business on its usual terms and so long as it is not in default, provided that all claims based on resale according to items 4 to 6 are transferred to us. The buyer shall not be entitled to any other disposal of the conditional goods.
 4. The claims from resale of the conditional goods, together with all collateral which the buyer may acquire for the claim shall hereby be transferred to us. These shall serve as collateral to the same extent as the conditional goods. Where the conditional goods are sold by the buyer together with other goods not supplied by us, the claim from resale shall be transferred to us in proportion to the invoiced value of the conditional goods to the other goods sold. In regard to the sale of goods in which we hold joint ownership rights as specified in item 2, we shall be transferred a part of the claim corresponding to the proportion of our joint ownership. Where the conditional goods are used by the buyer to perform a contract for work and services, the claim based on resale shall be transferred to us in advance to the same extent.
 5. The buyer shall be entitled to collect all claims based on resale. This collecting power shall expire where revoked by us or at the latest in the event of default, dishonoring a bill of exchange, or a petition in insolvency. We shall exercise our right of revocation only where it becomes clear after conclusion of the contract that our claim for payment based on this or any other contract with the buyer is compromised due to lack of performance on the part of the buyer. At our request, the buyer shall be obliged to notify its customers immediately of the transfer of the claim to us and forward to us all documents required for collection.
 6. Claims based on resale may not be assigned unless assignment is effected by way of old-line factoring of which we are notified and in which the factoring revenue exceeds the value of our secured claim. Our claim shall become payable with immediate effect once the factoring revenue is credited.
 7. The buyer shall be obliged to notify us immediately of any attachment or other interference by third parties. The buyer shall bear all costs incurred for cancellation of the attachment or for the return transport of the conditional goods, unless reimbursed by third parties.
 8. Where the buyer gets into arrears or fails to honor a bill on maturity, we shall have the right to reclaim the conditional goods and, for this purpose, to enter the premises of the buyer within the usual working hours. The same shall apply where it becomes clear after conclusion of the contract that our claim for payment based on this or any other contract with the buyer is compromised due to lack of performance on the part of the buyer. Any provisions of the Bankruptcy Act shall remain unaffected by this.
 9. Where the invoiced amount of the existing collateral exceeds the secured claims including subsidiary claims (interest; costs, or similar) by more than 50% in total, we shall be obliged at the request of the buyer to release collateral at our option.
- ### VI. Qualities, dimensions and weights
1. All qualities and dimensions shall be subject to the API quality standards, DIN/EN standards and material sheets applicable at the time of conclusion of the contract, and in the absence of these, in conformity with trade practice. References to standards, factory standards, material sheets or test certificates and details of qualities, dimensions, weights and usability shall not constitute an undertaking or warranty. The same shall apply to declarations of conformity, manufacturer's declarations and appropriate marks such as CE and GS.
 2. Weights shall be established on our weighing facilities or on those of our sub-suppliers. Weight shall be evidenced by submission of the weighing

report. Where permitted by law, the weights may be determined on a standard basis without weighing. The additions and deductions customary in the steel trade in the Federal Republic of Germany (commercial weights) shall remain unaffected by this. Numbers of items, bundles, etc., indicated in the dispatch note for goods charged by weight shall be non-binding. If items are not weighed individually, the total weight of the consignment shall be used. Differences in contrast to the calculated individual weights shall be allocated proportionally.

VII. Acceptance

1. Where acceptance inspection has been agreed, the goods may only be inspected at the supply facilities or our warehouse immediately after notification of readiness for acceptance. Personal acceptance charges shall be borne by the buyer, any material acceptance costs shall be charged on the basis of our price list or the price list of the supplying facility.

2. Where acceptance is not performed or completed or is late for reasons for which we are not responsible, we shall have the right to ship the goods without acceptance or store them at the cost and risk of the buyer and pass on any resulting costs to the buyer.

VIII. Shipment, passage of risk, packaging, part deliveries

1. The shipping route and mode and the forwarding agent and carrier shall be determined by us.

2. Where transport on the specified route or to the specified location at the specified time proves impossible or is considerably impeded for reasons for which we are not responsible, we shall have the right to use a different route or deliver to a different location. Any additional costs incurred shall be borne by the buyer, who shall be given the opportunity to comment prior to such action.

3. The risk, including that of confiscation of the goods, shall pass to the buyer once the goods have been handed to the forwarding agent or carrier, or at the latest once they have left the warehouse or the supplier. This shall apply to all transactions and shall include goods for which charges have been prepaid and for shipments free to the buyer's address. Insurance shall be arranged only by order and at the expense of the buyer. The duty and cost of unloading shall be the responsibility of the buyer.

4. The goods shall be delivered without packaging and without protection against rust. Where customary in the trade, we shall deliver packaged goods. Suitable packaging, means of protection and/or transport may be arranged based on our experience at the expense of the buyer. These may be returned to our warehouse. We shall not assume any responsibility for the costs of the buyer for the return transport or for its own disposal of the packaging.

5. We shall have the right to make part deliveries within reasonable limits. Excess and short deliveries of the contractual quantity as customary in the trade shall be permissible.

6. Our delivery commitment and the handling of the shipment shall be subject to the commercial custom of the sea ports, e.g. the Antwerp Conditions as amended in 1972, etc.; cif deliveries shall also be subject to regulations 2, 3, 5, 7 to 18 and 21 of the Warsaw-Oxford Rules 1932.

IX. Call orders

1. Goods notified as ready for shipment as per contract shall be called immediately. Failure to do so shall entitle us, after a reminder, to ship them at our option at the cost and risk of the buyer or to store them at our discretion with immediate invoicing.

2. Where contracts are based on continuous deliveries, the buyer shall provide us with calls and batch instructions for approximately equal monthly quantities. Failure to do so shall entitle us to decide at our discretion.

3. Where individual calls exceed the total contractual quantity, we shall have the right, but not be obliged, to supply the additional quantity. The additional quantity may be charged at the prices applicable at the time of the call or delivery.

X. Liability for defects

1. Material defects of the goods shall be notified immediately in writing, or within seven days from delivery at the latest. Material defects which could not be detected within this period despite careful inspection shall be notified in writing immediately on discovery, or prior to expiry of the statutory period of limitation at the latest. At the same time, any and all use and processing shall immediately be discontinued.

2. Once the buyer has accepted the goods as agreed, any notification of material defects which could have been detected during the agreed acceptance inspection shall be excluded.

3. In the event of a justified and timely notification of defects, we shall be given opportunity, at our option, to remedy the defect or provide goods in perfect condition (subsequent performance). In case of failure or refusal of subsequent performance, the buyer shall be entitled to reduce the purchase price or, after a reasonable but unsuccessful period of grace, to withdraw from the contract. For minor defects, the buyer shall only have the right to claim reduction of the purchase price.

4. Where the buyer fails to give us immediate opportunity to verify the material defect and make the rejected goods, or samples thereof, available to us especially at our request, all rights relating to the material defect shall expire.

5. Where goods have been sold as downgraded material – with the exception of IIa material – the buyer shall not be entitled to any rights arising from material defects where these result from the reasons stated for the downgrading or such as may normally be expected in this regard. Where goods sold are IIa material, our liability for defects shall be excluded.

6. We shall assume responsibility for expenses associated with subsequent performance only where reasonable in each case, particularly in relation to the purchase price of the goods. No responsibility shall be assumed for expenses incurred as a result of transporting the purchased goods to a location other than the seat or place of business of the buyer, unless in accordance with the terms of the contract.

XI. General limitation of liability

1. We shall only be liable for breach of contractual or other obligations, specifically for impossibility of performance, default, culpa in contrahendo and unlawful acts, in the event of intent or gross negligence. This shall include our executive staff and other vicarious agents and shall be limited to damages typically foreseeable for this type of contract.

2. These limitations shall not apply to culpable breach of material contractual obligations where achievement of the contractual purpose is compromised, to

cases of mandatory liability under the Product Liability Act, to damage to life, body and health, even if and where we have fraudulently concealed material defects or guaranteed their absence. The rules on burden of proof shall remain unaffected by this.

3. In the absence of an agreement to the contrary, all claims of the buyer against us under the contract based on, or in connection with, the delivery of goods shall become statute-barred after one year from delivery of the goods. This period shall also apply to goods customarily used for building construction and which have caused a structural defect. Our liability for intentional or grossly negligent breach of obligations and the limitation of statutory recourse claims shall remain unaffected by this. Subsequent performance shall not cause the period of limitation to begin again.

XII. Place of performance and jurisdiction, applicable law and contract language

Unless otherwise expressly agreed, the place of performance for our deliveries shall be Neuss. The exclusive place of jurisdiction for all legal disputes shall be Neuss. At our discretion, we may also file an action against the buyer with the courts of its general place of jurisdiction.

In addition to these terms and conditions, the substantive laws of Germany shall apply to all legal relations between us and the buyer. The provisions of the Convention of 11 April 1980 on Contracts for the International Sale of Goods (CISG) shall not be applicable.

The contract language shall be German. Where contracts are translated into a different language, the German version shall prevail in all questions of interpretation.

XIII. Export to EU member states

Where deliveries are made from the Federal Republic of Germany to other EU member states, the buyer shall advise us prior to delivery of its VAT identification number used for income tax purposes in the EU. Otherwise, the buyer shall pay the statutory VAT payable by us in addition to the agreed purchase price for our deliveries.

Invoices for deliveries from the Federal Republic of Germany to other EU member states shall be subject to the VAT regulations of the receiving member state if the buyer is registered for VAT in another EU member state or if we are registered for VAT in another EU member state.

XIV. Partial invalidity

1. 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 acceptable to both parties which come as close as possible to the sense and purpose of the deleted section.