

# Standard Purchase Order Terms and Conditions

## Goods and Services

### 1. Definitions

The term 'Buyer' shall mean 'Sigma Pipeline Solutions Ltd'

The term 'Seller' shall mean the supplier, person, firm or company to whom the Purchase Order is issued.

The term 'Goods and or Services' includes all goods and or services covered by the Purchase Order whether they be, raw materials, processed materials, fabricated products, assemblies, labour, consultancy or documentation.

The term 'Order' shall mean the official Purchase Order of Sigma Pipeline Solutions Ltd

which includes any special terms and conditions thereon and all documents mentioned therein.

### 2. Acceptance of Purchase Order

Unless otherwise provided herein, the written acceptance of this Purchase Order or the commencement of any work or the performance of any services hereunder by the Seller shall constitute acceptance by the Seller of this Purchase Order and all of its terms and conditions. There are no agreements or understandings other than contained in this Order.

These Terms and Conditions will prevail for the duration of the work

### 3. Acceptance of Goods and Services

#### a) Goods

The Goods supplied must conform to the Order as to quality, quantity, measurement and fit for purpose where such a purpose has been made known to the Seller by the Buyer in writing or where written literature provided by the Seller suggests that the product has the capability to perform the intended task(s). Where the goods fail to meet these requirements, the Buyer reserves the right to reject such goods within a reasonable time after their delivery. The property in the goods shall pass to the Buyer when the delivery has taken place. Where terms are CIF/C&F, FOB or Ex Works, delivery will be regarded as arrival and offload at Destination Port, delivery to Port of Exit in Country of Origin or when loaded onto transport at the Sellers site respectively. The making of payment shall not prejudice the right of rejection.

#### b) Services

The Seller shall supply Services to the Buyer at whatever levels and extent as the parties mutually agree and as specified within the accepted quotation/formal offer and subsequent order. Nothing herein contained shall constitute the relationship of Master and Servant or any other partnership between Buyer and the Seller (or any of its employees) engaged on the Services or between the Buyer and the Seller (or any such employees). The Seller shall carry out the Order for Services to the best of the Sellers ability and skill and at all times the requirements and procedures of the Buyer must be rigidly adhered to.

All personnel engaged by the Seller for the performance of the Order shall have the training, skills necessary, capability and qualification where required, to perform the tasks required of them by the Seller to enable the Seller to carry out the Order to the complete satisfaction of the Buyer.

While the Seller agrees to give priority to all requests by the Buyer to supply Services, the Buyer shall be under no obligation at any time to request the supply of services.

#### c) Special Conditions

It is an express condition of the Sellers engagement that the Seller will not either during its engagement or for the period 6 months after termination or order completion, either for itself or for any other person or body:

I. Canvas or by any other means seek or solicit business similar to that carried out by the Buyer and in which the Seller was engaged in the course of its engagement from any person or body who during the term of such engagement was a customer or prospective customer of the Buyer or the customer of any client of the Buyer.

II. Deal in the way of such business with any such person or body. The Seller acknowledges that this provision is necessary to protect the Buyer's business.

III. Payment shall be made for the number of hours actually supplied to the Buyer which have been specifically sanctioned by the Buyer on time sheets approved by the Buyer at the rate set out on the Order, provided that in the event of any break of these terms and conditions by the Seller, the Buyer shall be entitled to an immediate offset against any payment due or becoming due to the Seller of all claims arising out of such breaks.

IV. Any director, officer, employee or sub-contractor of the Seller shall in consideration of the Buyer contracting with the Seller be bound by and subject to the restriction in this condition as if such person had contracted to that effect directly with the Buyer.

### 4. Inspection and Quality

The Buyer reserves the right to reject any goods or raw or finished materials or work which is proven on inspection upon receipt or in manufacturer to be faulty in quality or construction or which does not meet the standard agreed. Rejected goods or materials will be returned at the Seller's expense and risk.

### 5. Packing and Advice Notes

A packing slip quoting the order number reference appearing on the order and a detailed listing of all goods or materials along with quantity of each and unit of measure contained within the consignment must be sent with all goods or materials to the place of delivery and a duplicate of the packing slip must be posted to the buyer by way of an advice note.

Each package will be marked with the name of the Buyer, place of destination and gross weight.

The Seller must ensure that the Goods are packaged to ensure the safety of the goods during transportation from point of loading to point of offloading and during storage. The specification of the packaging used must be suitable for the type of commodity packed and the most likely causes of potential damage, corrosion and deterioration during transit and storage. Containerised goods must be secured in such a way that there is no risk of damage to the goods during transportation, furthermore no risk to life or property when decontainerisation takes place at the journeys end.

No charges will be allowed for packing materials or containers unless otherwise agreed by the Buyer.

### 6. Terms of Payment and Invoices

No payment will be made by the Buyer to the Seller until an invoice is delivered by the Buyer and received by the Seller.

The price and currency will be as stated on the Order. VAT will be payable in addition where applicable and only where a proper VAT invoice is submitted.

The terms of payment will be as stated in the order.

A separate invoice must be rendered for each individual consignment of goods or for services, full or part/interval or timescale payments where agreed by the Buyer.

Invoice should be submitted to the Buyers address shown on the Order and marked 'For the attention of the accounts department'.

### 7. Confidentiality

The Buyer acknowledges that the Seller and persons engaged by the Seller may come into the possession of confidential information to enable the Seller to fulfill its obligations under the order.

Furthermore the performance of the order may result in the Seller and persons engaged by the Seller having confidential information. The Seller agrees and undertakes that it will ensure that any person engaged by the Seller will keep confidential all such information and will not use such information for its own purpose or disclose the same to any third party without prior written consent of the Buyer.

### 8. Equipment and Tooling

Any equipment and/or tooling owned by the Buyer which is used by the Seller to fulfill the Order will be properly cared for by the Seller and returned by the Seller in the same good working order as originally supplied. Where Buyer owned equipment and tooling is located at the Sellers premises, the Seller must ensure that it is correctly used and stored in such a way and in such place as to prevent deterioration.

All patterns, drawings, dies, tools jigs etc, supplied by or paid for by the Buyer shall be marked 'Property of Sigma Pipeline Solutions Ltd' and shall remain the Buyer's property and be returned to the Buyer in good condition upon demand. Such patterns, drawings, dies, tools jigs etc, shall not be used in the production, manufacture or design of any goods or materials other than those contracted for herein and pursuant hereto, nor for larger quantities than those specified.

All patterns, drawings, dies, tools jigs etc, supplied by or paid for by the Buyer may not be used to provide parts or services for any customer of the Seller other than the Buyer, unless written consent is provided by the Buyer to the Seller enabling such practice.

### 9. Indemnity

The Seller shall indemnify the Buyer against any claims, demands, expenses or liability which the Buyer may incur arising out of or in connection with the use which the buyer may put the goods or services to and any products thereof or any infringement or alleged infringement of any patents registered, design, copyright or other rights which may result from such use.

### 10. Law

These terms and conditions shall be construed in accordance with the laws of England and the High Courts of Justice in London shall be the sole Courts of competent Jurisdiction.

### 11. Termination at the Option of the Buyer

(a) Performance of work and the supply of goods, materials or services under this order or any release authorisation may be terminated by the buyer at its option, in whole or in part at any time by written notice to the seller.

(b) After receipt of a notice of termination, the seller shall, unless otherwise directed by the buyer:

I. Immediately stop all work under the relevant order or release authorisation and all seller's orders and sub-contracts in connection therewith.

II. Settle all claims arising out of such termination or orders and sub contracts

III. Deliver to the Buyer:

1) All completed work which conforms in quality to the requirements of the order and does not exceed, in quantity, the amount authorised for production by the buyer, and

2) All reasonable quantities (but not in excess of amounts authorised by the buyer) of work in progress and materials produced or acquired in the course of performance or the work terminated which are of a type and quality suitable for producing supplies which conform to the requirements of this order and which cannot reasonably be used by the seller in producing supplies for itself or its other customers.

IV. Take all action necessary to protect property in Seller's possession in which the Buyer has or may acquire an interest.

V. Submit to the Buyer promptly, but no later than three months from the effective date of termination, its termination claim; provided, however, that in the event of failure of Seller to submit its termination claim within such period, Buyer may determine, notwithstanding the provisions of sub paragraph (c) hereof, on the basis of information available to it, the amount, if any, due to the Seller with respect to the termination, and such determination shall be final.

(c) Upon termination by the Buyer under this condition 7, the buyer shall pay to the Seller the following amounts without duplication:-

I. Any amounts then due and owing to Seller for supplies delivered in accordance with the purchase order.

II. The purchase order price for further completed supplies delivered to the buyer in accordance with paragraph (b) (iii) (1) of this condition.

III. The cost to the Seller of labour employed (including a fair proportion of overhead expenses) and materials comprised in work in progress delivered to Buyer pursuant of paragraph (b) (iii) (2) of this condition.

IV. The cost to the Seller of materials delivered to the buyer pursuant to the said paragraph (b) (iii) (2):

V. Amounts paid by Seller pursuant to paragraph (b) (ii) of this condition provided that such amount shall not be greater than those to which Seller's sub-contractors would be entitled if the foregoing provisions of his condition applied as between Seller and them:

VI. Reasonable costs incurred by Seller in protecting property in its possession in which the Buyer has or may acquire an interest. Payments herein under this paragraph (c), exclusive of payments under sub-paragraph (VI) hereof, shall not exceed the aggregate contract price

### 12. Excusable Delays

(a) Neither Buyer nor Seller shall be liable for failure to perform under this Order arising from:

I. acts of God or of a public enemy

II. acts of the Government of Buyer's or Seller's country or any public authority or governmental agency in either country

III. acts of any person engaged in subversive activity or sabotage

IV. fire, floods, explosions, or other catastrophes

V. epidemics or quarantine restrictions

VI. strikes, slowdowns, lockouts or labour stoppages or disputes of any kind

VII. freight embargoes

VIII. unusually severe weather

IX. delays of a supplier due to any of the above events or

X. causes or events beyond the control and without the fault or negligence of Buyer or Seller

(b) In the event of a failure by Seller to perform as required by this Order arising from any of the causes or events set forth in sub-paragraph (a) of this condition, the Buyer shall be entitled to obtain supplies or services covered elsewhere for the duration of such failure and to reduce, pro tanto and without any obligation upon the Buyer, the quantity or amount of supplies or services ordered from the Seller under the Purchase Order or any release authorisation.

(c) Nothing in this condition shall limit Buyer's option to terminate at any time under above condition 11.

### 13. Special Terms and Conditions

The Buyer reserves the right to supersede sections of the standard terms and conditions of the order when applicable. Any variation will be noted on the official Purchase Order.

### 14. Seller's Conditions of Sales

Sellers conditions of sale will be excluded unless accepted by the Buyer in writing.

### 15. Sub-Contracting

The Seller will not sub-contract any order, parts of an order or process without the prior written consent of the Buyer. Where such consent is given, the Seller will obtain the agreement of the Seller's sub-contractor to conditions similar to terms and conditions 7 and 8 hereof. The Seller will, at the Seller's expense enforce such conditions by legal proceedings if so requested by the Buyer. The Seller will prohibit such sub-contractor from further delegating performance of the Sellers order.

### 16. Health and Safety

The Seller of Goods and Services must comply with all statutes, regulations and safety rules and when on the Buyers premises comply with the Buyers Health and Safety Rules.

It is a fundamental condition of this Purchase Order, not only that all technical specifications and manufacturing standards contained herein or made hereof should be observed but also that any substance, machinery, goods or equipment supplied or installed hereunder shall so far as is reasonably practicable be so formulated, designed, constructed, finished and packaged as to be safe and without risks to health when in use. Furthermore if any conditions are necessary to ensure such safety and harmlessness in use, or any substance, machinery, goods or equipment possess dangerous properties whether in use or otherwise, appropriate, conspicuous labels or other warnings will (so far as practicable) be affixed to or appear on every separate item thereof and any container in which the same shall be supplied. If the Seller carries out works or performs any service on the Buyer's premises, Seller will take all reasonably practicable steps to ensure that those premises (so far as within his control) and the works are at all times safe and without risk to health of his own employees and of all other persons.

### 17. Insurance and Third Party Risks

The Seller shall take out and maintain a policy(s) of insurance with the Buyers interest noted on such policy(s) against all liabilities which may attach to the Seller or its respective servants or agents for any death, injury, loss or damage to any person or property arising out of or in connection with goods or services supplied under this Purchase Order. This insurance shall be effected in respect in such sum as may be agreed but in any event for not less than an indemnity of any £1m in respect of any one accident or series of accidents arising out of one event and the Seller shall produce for inspection by the Buyer such policy or policies of insurance and all premium and renewal receipts. For avoidance of doubt nothing in this clause shall limit the Sellers liability hereunder to £1m.