

HSP VALVES GROUP LIMITED

GENERAL TERMS AND CONDITIONS OF PURCHASE

CLAUSE 1: DEFINITIONS AND TERMINOLOGY:

In these conditions, the following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

- (a) "PURCHASER" means HSP Valves Group Limited a company incorporated and existing under the laws of England, having its Registered Office at Unit 4 Red Shute Hill Industrial Estate, Hermitage, Newbury, Berkshire, RG18 9QL, United Kingdom.
- (b) "VENDOR" means the person, firm or company to whom the Purchase Order is issued.
- (c) "PURCHASE ORDER" means the order in writing issued to the Vendor by the Purchaser as acceptance of the quotation comprising the documents referred to therein and constituting a binding agreement between them.
- (d) "SPECIFICATION" means any specification referred to in the Purchase Order.
- (e) "GOODS" means all or part of the articles, materials or things described in the Purchase Order including but not limited to manuals, operating instructions, reports and drawings.
- (f) "AN EVENT OF FORCE MAJEURE" shall mean any happening beyond the control of the Vendor or the Purchaser acting in accordance with the standards of a reasonable and prudent person which causes or results in such party failing or being interrupted or delayed in fulfilling any of its obligations hereunder.

CLAUSE 2: ENTIRETY OF CONTRACT:

No other term condition or warranty of any nature whatsoever (whether collateral or otherwise) shall be added hereto unless expressed in writing and signed on behalf of the Purchaser. No servant or agent of the Purchaser has authority to agree any oral variation of modification of addition to these terms and conditions in any circumstances whatsoever. Any purported conditions of sale customarily attached or otherwise considered to be part of the Vendor's invoices or other standard documentation shall be expressly excluded from and shall not become part of this contract and shall not be deemed to become so by virtue of the Purchaser's acceptance, or in the case of invoices, payment thereof.

CLAUSE 3: GOODS:

The Goods shall:

- (a) conform in every respect with the Purchase Order.
- (b) be of sound design, materials and workmanship and if a standard specification be indicated in the Purchase Order shall be strictly in accordance with the standard specification so indicated or shall otherwise be in accordance with the relevant British Standard Specification.
- (c) be capable of any standard of performance specified in the Specification.
- (d) if the purpose for which they are acquired is indicated in the Purchase Order either expressly or by implication, be fit for that purpose, and if not so indicated be fit for their ordinary purpose.

CLAUSE 4: INSPECTION AND TESTING:

- (a) Before despatching the Goods the Vendor shall carefully inspect and test them for compliance with the Purchase Order. The Vendor shall give the Purchaser at least 5 days' notice of such tests and the Purchaser shall be entitled to be represented thereat.

The Vendor shall also at the request of the Purchaser supply to the Purchaser a copy of the Vendor's test sheets certified by the Vendor to be a true copy.

The rights and obligations contained in this sub-clause shall not affect or modify any of the other obligations of the Vendor contained herein.

- (b) The Purchaser or his authorised representative will be entitled to inspect and test the goods during manufacture, processing or storage or as otherwise set out in the Purchase Order. If the Purchaser exercises this right the Vendor shall provide or shall ensure the provision of all such facilities as may reasonably be required by the Purchaser thereof. Such inspection and or testing by the Purchaser shall not relieve the Vendor from its obligation to deliver the Goods.
- (c) If as a result of any inspection or test under sub-clause (a) or (b) of this clause the Purchaser's authorised representative is of the reasonable opinion that the Goods do not comply with the requirements of Clause 3 hereof or are unlikely on completion of manufacture or processing so to comply, he may inform the Vendor accordingly in writing and if so the Vendor shall within time for delivery provided by the Purchase Order deliver, at his own expense, and without prejudice to any other rights of the Purchaser, goods which comply with the requirements of Clause 3 hereof in place of those rejected.
- (d) On such termination the Purchaser shall be entitled without prejudice to take any other rights he may have to return to the Vendor at the Vendor's risk and expense any of the Goods already delivered and to recover from the Vendor any monies already paid by the Purchaser in respect of such Goods and all other expenses to which the Purchaser has been put in consequence of his decision to return the Goods.
- (e) Goods so rejected after the delivery shall be removed by the Vendor at his own expense within eight (8) days from the date of receipt of notification of rejection or within such other period as may be specifically provided by the Purchase Order. In the event of the Vendor failing to remove them or any of them within such period as aforesaid the Purchaser shall be at liberty to return the rejected goods or any of them at the Vendor's risk and expense.
- (f) This clause shall be without prejudice to any other rights the Purchaser may have in connection with the Goods being declared other than in accordance with the requirements of this Purchase Order.

CLAUSE 5: EXPEDITING:

The Vendor shall be responsible for expediting the progress of the Purchase Order and any of its orders to sub-vendors. If the Vendor encounters delays in obtaining materials from his sub-vendors or in receiving information from the Purchaser, the Vendor shall immediately advise the Purchaser's authorised representative. The Vendor shall supply the Purchaser with un-priced copies of his sub-vendor's order when and where requested.

CLAUSE 6: DELIVERY:

- (a) The Goods, properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport, shall be delivered by the Vendor at, or despatched for delivery to the place or places and in the manner specified in the Purchase Order, or as may hereafter be subsequently agreed in writing.
- (b) All containers, packing cases, boxes, tins, wrappings and other packaging material supplied by the Vendor shall be considered non-returnable and their cost as having been included in the purchase price.

CLAUSE 7: STORAGE:

If for any reason the Purchaser is unable to accept delivery of the Goods at the time when the Goods are due and ready for delivery the Vendor shall store the Goods, safeguard them and take all reasonable steps to prevent their deterioration until their actual delivery, and the Purchaser shall be liable to the Vendor.

- (a) If applicable, for that instalment of the purchase price that would have been paid in accordance with the Purchase Order had the Goods been delivered, and
- (b) For the reasonable cost, including insurance, of so doing.

CLAUSE 8: PASSING OF PROPERTY:

- (a) Subject to the provisions of paragraph (b) of this clause the property and risk in the Goods shall pass to the Purchaser at the first to occur of the following events.
 - when the Goods or part thereof are first identifiable as being appropriated to the Purchase Order.
 - when the Purchaser pays for the Goods or part thereof in accordance with the Purchase Order.
 - when the Goods or part thereof are delivered to the Purchaser or to his order.

- (b) If the Vendor postpones delivery or despatch for delivery at the request of the Purchaser pursuant to Clause 7 hereof, the property in the Goods shall pass to the Purchaser at the date when the Goods would have been delivered to the Purchaser but for such request by the Purchaser, but the Goods shall nevertheless remain the Vendor's risk until delivery has been completed.
- (c) The Vendor shall take out and maintain adequate insurance to cover the Goods until delivery. The Purchaser shall be entitled to receive copies of such insurance policies upon request.

CLAUSE 9: DELIVERY TIME:

- (a) The Vendor shall deliver the Goods at the time or times specified in the Purchase Order. Time shall be of the essence unless otherwise specified.
- (b) If owing to any Event of Force Majeure the Vendor is unable to deliver the Goods within the specified time, then provided that the Vendor shall have given the Purchaser notice in writing without delay of his intention to claim an extension of time, the Purchaser may in its sole discretion grant to the Vendor such extension of time as it considers reasonable.
- (c) If the Goods or any part thereof are not delivered within the time or times specified in the Purchase Order or any agreed extension of such time or times, the Purchaser shall be entitled to terminate this Purchase Order in respect of the Goods or any part thereof.
- (d) On such termination the Purchaser shall be entitled without prejudice to take any other rights he may have to return to the Vendor at the Vendor's risk and expense any of the Goods already delivered and to recover from the Vendor any monies already paid by the Purchaser in respect of such Goods and all other expenses to which the Purchaser has been put in consequence of his decision to return the Goods.

CLAUSE 10: GUARANTEES:

- (a) If any of the Goods furnished by the Vendor (whether originating from the Vendor or any person with whom the Vendor has been in contractual relationship in connection with the Goods) do not comply with the provisions of Clause 3 hereof or is found defective or if any defect or fault originating with the design materials, workmanship or operating characteristics of any of the Goods arises at any time within twelve months from the date the Goods are placed in use or operation, or twenty-four months from the date of delivery, whichever date is the earlier, Vendor shall at its own expense promptly make such alterations, repairs and replacements as are necessary so that the Goods comply with the provisions of Clause 3 hereof and fulfil the preceding guarantees to Purchaser's entire satisfaction. If the fault or failure to function properly cannot be corrected as set forth above, the Goods shall be removed by or at the expense of the Vendor and the Vendor shall without cost to the Purchaser promptly furnish satisfactory Goods which completely fulfil the provisions of Clause 3.
- (b) If the faulty Goods are not removed and satisfactory replacement Goods furnished by the Vendor within such reasonable time as Purchaser shall determine then Purchaser shall be entitled to carry out such remedial work or have such remedial work carried out by others or provide replacement Goods all at the sole risk, cost and expense of the Vendor.
- (c) In the event of any alteration, repair or replacement as aforesaid the Vendor's guarantee hereunder shall extend to such altered, repaired or replaced Goods for a further period of twelve or twenty-four months as the case may be from the date of acceptance thereof.

CLAUSE 11: PAYMENT:

- (a) Vendors invoice shall be paid within 30 days of the end of the month of receipt by Purchaser providing such invoice is properly drawn and is accompanied by required Supporting documents. If invoices require correction, the time of payment will be computed from date of receipt by the Purchaser of the Vendor's corrected invoice.
- (b) The prices shown in this Purchase Order cannot be varied except by a duly executed amendment. The Vendor shall not be paid any part of the purchase price until it has signed and returned to the Purchaser the copy of this Purchase Order and any amendment applicable thereto.
- (c) Charges for preparation, packing, boxing, crating, freight or special services of any kind will not be allowed, unless specifically authorised in the Purchase Order.
- (d) The Purchaser shall have the right from the date of this Purchase Order and for a period of two years from acceptance of the Goods to carry out an audit of the Vendor's books and records in so far as they relate to this Purchase Order or have such audit carried out by a firm of Accountants appointed by the Purchaser.

CLAUSE 12: DRAWINGS, MANUALS ETC.:

- (a) Vendor shall without additional cost to Purchaser, supply all required drawings, whether needed for information only, approval or final record, operating Instructions, maintenance manuals, mill certificates giving chemical compositions and mechanical properties, fabrication reports and the like at times and in numbers of copies as specified in the Purchase Order. The Purchaser, in approving Vendor's drawings, does not in any way assume responsibility for their accuracy.
- (b) All drawings prepared or obtained by the Purchaser at the sole cost of the Purchaser shall be and remain the property of the Purchaser. The Vendor shall not use such drawings nor shall authorise or knowingly permit them to be used by anyone else for, or in connection with any purpose other than the supply of the Goods to the Purchaser unless such use is expressly authorised by the Purchaser previously and in writing.

CLAUSE 13: PURCHASER'S MATERIALS:

Where requested by the Purchaser, Vendor shall procure from any subsidiary or affiliate of Purchaser any materials of kinds which are manufactured or produced by such companies or their subsidiaries providing that Vendor is satisfied that the price and quality is satisfactory. Vendor shall specify the use of products and provide details of grades and utilisation of oils and greases for commissioning operation and maintenance.

CLAUSE 14: STATUTORY REQUIREMENTS:

The Vendor warrants that the design construction and quality of Goods to be supplied under this Purchase Order comply in all respects with all relevant requirements of any statute, statutory rule or order, or other instrument having force of law, which may be applicable at the time when the same are supplied and that he will prior to the delivery of the Goods supply whatsoever Government or other authorisation markings stamped on the Goods as are required to allow the Goods to be placed in operation.

CLAUSE 15: INFRINGEMENT OF PATENTS:

The Vendor shall fully indemnify the Purchaser against any action, claim demand, costs, charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any letters patent, registered design, trade mark or trade name protected in the United Kingdom or elsewhere by the use or sale of the Goods and against all costs and damages which the Purchaser may incur in any action or such infringement or for which the Purchaser may become liable in any action.

In the event of any claim being made or action brought against the Purchaser arising out of the matters referred to in this clause, the Vendor shall be promptly notified thereof and may at his own expense conduct all negotiations for the settlement or the same and any litigation that may arise therefrom. Either party shall at the request of the other afford all available assistance for the purposes of this clause and Purchaser shall be repaid by Vendor for any expenses incurred by Purchaser in so doing.

- (a) The Vendor shall not without the consent in writing of the Purchaser assign or transfer this Purchase Order or any part of it to any other person except as part of an amalgamation or reconstruction by Vendor in which event the Vendor shall satisfy the Purchaser that the obligations of the Vendor under the Purchase Order are fully assigned as against the assignee.

- (b) The Vendor shall not without the consent in writing of the Purchaser, sub-contract this Purchase Order or any part thereof except to sub-vendors which are named in the Purchase Order or the specification.

Any such consent shall not relieve the Vendor of any of its obligations under this Purchase Order nor shall a failure of a sub-vendor be an Event of Force Majeure unless such failure is caused by an event which could be an Event of Force Majeure had the work in question been performed by the Vendor himself.

- (c) Purchaser may at any time assign or sub-contract all or any part of its rights and obligations under this Purchase Order to:
 - (i) any Company associated with or affiliated to Purchaser or its covertures and/or
 - (ii) any third-party providing finance for or in connection with the said Purchase Order pursuant to a leasing or mortgaging arrangement or other arrangement analogous thereto.

CLAUSE 17: CANCELLATION BY PURCHASER:

- (a) Purchaser may terminate the Purchase Order in whole or in part by written notice to the Vendor. In such event Purchaser shall make payment to and Vendor shall accept payment of all costs incurred prior to such termination reasonably attributable to this Purchase Order under recognised accounting practice together with a reasonable allowance of overheads and profit on work performed, less any disposal or retention value. This provision shall not be deemed to limit or otherwise affect the Purchaser's right to cancel this Purchase Order without any such payment by Purchaser for the failure of the Vendor to comply with the Purchase Order, or to deliver material in whole or in part in accordance with the Vendor's obligations hereunder.
- (b) If the Vendor being an individual (or when the Vendor is a firm, any partner in that firm) shall at any time become bankrupt, or shall have a receiving order or administration order made against him or shall make any composition or arrangement with, or for the benefit of his creditors, or shall make any conveyance or assignment for the benefit of his creditors or shall purport to do so, or any application shall be made under any Bankruptcy Act for the time being in force for the sequestration of his estate, or a trust deed shall be granted by him on behalf of his creditors, or if the Vendor being a company shall pass a resolution or the Court shall make an Order that the Company shall be wound up (not being a member's winding up for the purpose for reconstruction or amalgamation only) or if a receiver or manager on behalf of the creditor shall be appointed or if circumstances shall arise which entitle the Court or a creditor to appoint a receiver or manager or which entitle the Court to make a winding up Order, or if any deed or action substantially equivalent to any of the foregoing deeds or actions in any law other than the law of England shall occur, then the Purchaser shall be at liberty:
 - (i) to cancel the Purchase Order summarily by notice in writing without compensation to the Vendor or
 - (ii) to give any such receiver or liquidator or other person the option to carry out this Purchase Order.
- (c) The exercise of any of the rights granted to the Purchaser under sub-clause (a) or (b) hereof shall not prejudice or affect any rights of action or remedy which shall have accrued or shall accrue thereafter to the Purchaser.

CLAUSE 18: VENDOR'S RESPONSIBILITY:

In the event of the Vendor being required to incorporate in the Goods to be supplied by the Vendor under the Purchase Order or to connect thereto or to hold on behalf of the Purchaser, material and equipment which is supplied to the Vendor directly or indirectly by the Purchaser, the Vendor shall be wholly responsible for any loss or damage whatsoever of or to the material or equipment so supplied to him from such time as it comes into his possession, until it comes into the possession of Purchaser or of some other person or whom the Vendor shall have been directed to deliver it.

CLAUSE 19: VENDOR'S AGENTS OR EMPLOYEES:

If the Vendor in the performance of this Purchase Order furnishes the services of himself, his agent or employee as an Erecting Engineer, Superintendent or otherwise, in respect of the operation, adjustment, repair, installation, erection or dismantling of Goods furnished hereunder or as described herein, then the Vendor agrees to assume all liability with respect to the services of himself, his agent or employee while on the premises of the Purchaser and to indemnify and save Purchaser harmless from all claims, suits, actions and proceedings whatsoever which may be brought on account of injuries or damage to the Vendor his agent or employee or to other persons or property on account of said services.

CLAUSE 20: CONSEQUENTIAL LOSS:

Purchaser shall not be liable for any loss of profits or consequential loss howsoever caused or occasioned by the Vendor due to the performance, non-performance or cancellation of this Purchase Order.

CLAUSE 21: CONFIDENTIALITY:

All information supplied by the Purchaser to the Vendor in connection with this Purchase Order shall be kept confidential (unless and until released by the Purchaser) and the Vendor shall take and enforce at the request of the Purchaser or as may be necessary suitable covenants from its employee's agents and sub-vendors to enforce confidentiality.

CLAUSE 22: DATA PROTECTION

You are agreeing to the processing of data in line with our Privacy policy which can be located on our website - <https://www.hspvalves.com/privacy-policy>. Where there is sharing of personal data between parties our data sharing agreement will be applicable, which can be located on our website <https://www.hspvalves.com/data-sharing-agreement/>. Each party agrees to comply with any local data protection legislation within their geographical region.

CLAUSE 23: ARBITRATION:

All disputes, differences or questions at any time arising between the parties as to the construction of this Purchase Order or as to any matter or thing arising out of this Purchase Order or in any way connected therewith shall be referred to the arbitration in London of a single arbitrator who shall be agreed between the parties or who failing such agreement shall be appointed at the request of either party by the President for the time being of the Law Society of England and Wales. Such arbitration shall be conducted in English and shall be final and binding to the parties thereto.

CLAUSE 24: NOTICES:

All notices sent in connection with this Purchase Order may be sent to the addresses of the parties as stated therein or other addresses expressly notified for the purpose and shall be deemed to have been received in the ordinary course of the post or other communication as the case may be.

CLAUSE 25: LAW OF CONTRACT:

This Purchase Order shall be governed by English Law.

CLAUSE 26: FULL AND FAIR OPPORTUNITY TRO UK INDUSTRY:

- (a) Without prejudice to any of Vendor's other duties and obligations hereunder, Vendor shall to the extent to which it is entitled to sub-vend for the supply of Goods and/or services, in connection with this Purchase Order, abide by and conduct his affairs in relation to such matters strictly in accordance with the provisions of the Memorandum of Understanding and Code of Practice (hereinafter together called "the Memorandum") dated 3rd November 1975 between the United Kingdom Offshore Operators Association and the Department of Energy Offshore Supplies Office ("OSO") as if Vendor were an "Operator".
- (b) Vendor undertakes to supply Purchaser with any and all information which OSO is entitled to require pursuant to the Memorandum including but not limited to a breakdown of the contract price into British and non-British elements.