



TERMS AND CONDITIONS FOR PROVISION OF GOODS AND SERVICES

Revision 2 dated 07/06/2016

1 DEFINITIONS

- 1 "Amendment" shall mean a change to the original Purchase Order issued pursuant to Article 8.
- 1.2 "Conditions" shall mean these general terms and conditions for the provision of goods and services together with any amendments agreed in writing by Purchaser and Vendor.
- 1.3 "Purchase Order" shall mean the contract formed by the acceptance of a Purchase Order and shall incorporate these Conditions together with all documents referred to therein as varied by any Amendment.
- 1.4 "Price" shall mean all sums payable to Vendor as specified in the Purchase Order for performance of the Work.
- 1.5 "Purchaser" shall mean Seajacks International Limited including any associated, affiliated, parent and subsidiary companies.
- 1.6 "Purchaser Group" shall mean, Purchaser, its clients of any tier, its other contractors, its and their parent, subsidiary and affiliate companies and the employees and agents of all of them.
- 1.7 "Delivery Date" shall mean the date(s) upon which the Works shall be delivered as specified in the Purchase Order.
- 1.8 "Work" shall mean all goods and/or services to be provided under this Agreement all as more fully set out herein and as incorporated into the Purchase Order which may be changed by any Amendment.
- 1.9 "Vendor" shall mean the person, persons, firm or company named in the Purchase Order to supply goods and/or services and shall include the Vendors legal personal representatives, successors and assigns.

2 ACCEPTANCE OF PURCHASE ORDER

- 2.1 No legally binding contract shall be formed (and the Vendor shall not be entitled to any payment hereunder) until the Purchase Order is completed in accordance with 2.1 (i), (ii) and (iii) below.
- (i) The Purchaser will email a pdf copy of the Purchase Order together with all documents referred to therein to the Vendor.
- (ii) Upon receipt of the Purchaser's email the Vendor is to return an email accepting the Purchase Order and confirming receipt, unless changes are specifically agreed in writing. If Purchaser does not receive a confirmation email (or any email regarding the relevant Purchase Order) from the Vendor with 48 hours, confirmation will be assumed as accepted.
- (iii) The Vendor will email any documents referred to therein to the Purchaser at which time this Purchase Order will become legally binding Purchase Order and shall be deemed to constitute an acceptance of and agreement to comply with the Conditions.

3 QUALITY AND DESCRIPTION

- 3.1 All work (unless otherwise agreed in writing) shall:
- a) Conform strictly as to quantity, quality and description with the particulars stated in the Purchase Order and with all statutory requirements applicable to such work;
- b) Be delivered at an agreed location or by a specific date as specified in the Purchase Order;
- c) Be of sound materials and workmanship;
- d) Be in strict compliance with samples, patents, drawings or specifications, if any, referred to in the Purchase Order;
- e) Be in compliance with Seajacks Corporate Social Responsibility Policy (a copy of which has been supplied to the Vendor on request)
- f) Be capable of the standard of performance specified in the Purchase Order;
- g) Be fit for the purpose for which it is supplied under the Purchase Order.

- 3.2 All work performed pursuant to the Purchase Order shall be performed by suitably qualified and competent personnel and all equipment and tools provided shall at all times be maintained in first class operating condition by Vendor, and in the event that Vendor shall provide personnel the same shall be competent and suitably qualified for the purpose for which they are provided. Purchaser reserves the right to require the replacement of any personnel, equipment or tools provided by Vendor which in Purchaser's opinion do not comply with the foregoing provisions at Vendor's cost.

4 INSPECTION AND TESTING

- 4.1 Purchaser and its representatives shall at all times be granted access to any premises (including those of Vendor's subcontractors) and be allowed to inspect and test the Work at any time prior to acceptance or delivery, whichever shall be the later.
- 4.2 Purchaser or his representative shall have full power to reject any Work that it considers to be defective or inferior in quality of material, workmanship or design and/or not in accordance with Purchaser's specifications. Any Work so rejected shall immediately be replaced or corrected as required by Purchaser or its representative, at Vendor's expense, or the Work will be cancelled where no payment/refund of monies will be paid. Any replaced or corrected Work by the Vendor shall then be resubmitted for re-inspection and re-testing.
- 4.3 Vendor shall make available at its own expense all tools, instruments, apparatus, facilities, services and materials necessary for carrying out tests on the Work (or on Purchaser's request, confirmatory re-tests), as may be required by Purchaser, and when requested the Work shall be completely assembled for such tests and at Purchaser's option shall be dismantled for inspection before dispatch.
- 4.4 Where reasonably practical not less than 14 days notice shall be given by Vendor to Purchaser that the Work or any part thereof is ready for inspection and/or testing.
- 4.5 Inspection, testing or acceptance of any Work or any waiver of any rights in respect thereof by Purchaser or its representative shall not relieve Vendor from any of its obligations under the Purchase Order or otherwise, including without limitation, its responsibility for any defects subsequently found in materials and/or workmanship.
- 4.6 Vendor shall supply at its own expense certificates of analysis, tests, inspection or origin as may be required by Purchaser or required by law which shall in any event be delivered to Purchaser on Delivery Date.

5 PAYMENT

- 5.1 In consideration of the satisfactory performance of the Work, Purchaser shall pay Vendor the Price in the manner set out in the Conditions.
- 5.2 Vendor shall send Purchaser a detailed Price invoice or invoices as instructed on the Purchase Order clearly stating the Purchase Order Number, the item numbers and containing all information required to be stated on a tax invoice for VAT purposes. Invoices received with no PO number referenced will be rejected.
- 5.3 Unless otherwise specified in the Purchase Order all payments hereunder shall be made within 45 days of receipt of Vendor's true and correct invoice at Purchaser's invoicing address. Payment shall not operate as a waiver of any of the rights of Purchaser under the Purchase Order or otherwise.
- 5.4 Unless otherwise stated in the Purchase Order all payments hereunder shall be made in sterling.
- 5.5 Vendor acknowledges that except as specifically provided in the Purchase Order the rates and Prices contained therein are sufficient to cover all its obligations

whether expressed or implied under the Purchase Order. When the Work or any part thereof is to be performed other than at Vendor's premises, Vendor shall be deemed to have satisfied itself as to all local conditions and other factors as may in any way affect the performance of the Work.

5.6 Purchaser reserves the right to audit Vendor's charges and it shall for a period of 1 year from the date of completion or delivery of the Work have access to any detailed cost data necessary for that purpose, and be entitled to copies of such data and supporting documents and information

5.7 Purchaser may withhold any payment due to Vendor to such extent as may be necessary to protect the Purchaser from loss because of a doubt that the Work will fulfil the requirements of the Purchase Order or breach by Vendor of any of the Conditions, or due to a dispute in an invoice

5.8 The Purchaser reserves the right to withhold all or part of any payment due on delivery of the Work if the Vendor has failed to comply with all of the requirements of this Purchase Order, including performing any of the testing requirements or supplying any of the Work or documents required.

5.9 The Vendor confirms that it has not and shall not enter into any cashflow finance agreement or similar arrangement with any third party, which would result in any sums being due by the Purchaser to the Vendor under this Purchase Order being due and payable directly to such third party, with such third party being entitled to demand payment of such sums due. In the event of the Vendor entering into such an arrangement with a third party the Vendor shall fully advise the Purchaser of this arrangement and of the name and address of the third party and shall provide written confirmation and authorisation that any sums due under the Purchase Order are no longer due to the Vendor but are due and should be paid directly to the third party. Any costs or expenses incurred by the Purchaser in connection with any such arrangement put in place by the Vendor shall be to the Vendor's account.

5.10 The Vendor shall not be entitled to receive payment of any invoice received by Purchaser later than 60 days from Delivery Date of goods or completion of services. Nevertheless, Purchaser may, at its sole discretion, make payment against any such invoice.

6 COMPLETION AND DELIVERY

6.1 The Work shall be completed by the Delivery Date specified in the Purchase Order as varied by any Amendment.

6.2 Vendor shall provide at its own expense such information concerning status and progress of the Work as Purchaser shall deem necessary to ensure that the Work will be completed by the Delivery Date.

6.3 If the Vendor shall fail to commence performance of the Work or if it appears to Purchaser that Vendor may not be able to complete the Work by the Delivery Date or Vendor shall fail so to do Purchaser may terminate the Purchase Order or any part thereof in accordance with the provisions of Article 12.

6.4 Any part of the Work ready for delivery before Purchaser has authorised delivery shall be stored by Vendor at its own risk and expense until the Delivery Date, unless otherwise agreed.

6.5 Delivery of the Work shall be effected in the manner(s), and at time(s) specified by Purchaser. If the Work is not delivered in accordance with Purchaser's requirements Vendor shall be responsible for any additional expense arising therefrom. Except as otherwise specified in the Purchase Order, Vendor shall be responsible for and bear the cost of packaging, loading and/or carriage of the work.

6.6 Vendor shall take all necessary precautions to ensure that all Work which is to be delivered to Purchaser is packaged in a safe and sufficient manner so as to avoid damage or loss to the Work whilst in transit and until delivered and the Packaging shall comply with all statutory requirements and/or codes of practice applicable to the kind of Work which is the subject of the Purchase Order. Vendor shall indemnify Purchaser in respect of any and all loss, expense, damage claim and liability incurred by Purchaser Group arising in connection with any breach of Vendor's obligations under this Article 6.6.

6.7 Time is of the essence for the Delivery Date and all Vendor's obligations.

7 DEFECTS AND WARRANTY

7.1 For major non-compliance/warranty issues, Purchaser has the right to remove the item/s preventing Purchaser from performing the operation and to charge all direct costs associated with rectifying the work to the Vendor.

7.2 Vendor shall be responsible for remedying at his expense any defect that may arise in the Work within 12 months from the date when the Work has been put into service for its specified use, or 12 month from delivery, whichever is the later. Vendor shall guarantee for a further period of 12 months all remedial work carried out under this warranty. Where a defect arises within the aforesaid original warranty period but does not become apparent until that period has expired, Vendor's liability shall not cease merely because Purchaser has been unable to give notice of the defect to Vendor within the said period. If any defects which Vendor is obliged to remedy under this Article, are not remedied within a reasonable time, or circumstances render it impracticable for Vendor to do the same, Purchaser may do so itself or authorise others to do the same, and Vendor shall reimburse Purchaser for all costs arising therefrom.

7.3 This warranty and Purchaser's remedies hereunder are in addition to Purchaser's other rights and remedies existing under the Purchase Order or under applicable Law.

7.4 Where applicable, Purchaser shall have the right to assign the benefit of this warranty to its successors or assignees or clients of any tier.

8 AMENDMENTS

8.1 Vendor shall perform any changes to the Work required by Purchaser which may include additions to, or reductions in the quantity of Work when in receipt of a signed Amendment by both Purchaser and Vendor. When Purchaser is contemplating change, he shall give notice to Vendor, who shall promptly advise Purchaser of its reasonable effect on Price and Delivery Date.

8.2 No change shall be accepted by Purchaser and Purchaser shall not be liable to make any payment therefor to Vendor unless such change has been authorised by written instruction subsequently confirmed by an Amendment issued by Purchaser's purchasing department and signed by both Purchaser and Vendor.

9 ASSIGNMENT AND SUBCONTRACTING

9.1 Vendor shall not assign the Purchase Order nor subcontract any part of the Work, without Purchaser's prior written consent. No assignment or subcontract (even with Purchaser's consent) shall relieve Vendor of any of his obligations under the Purchase Order.

9.2 Vendor shall at Purchaser's request, supply Purchaser at no extra cost with unpriced copies of all subcontracts.

9.3 All applicable terms and conditions of the Purchase Order shall be imposed in all subcontracts entered into by Vendor.

9.4 Vendor shall obtain from all of its subcontractors a guarantee in identical terms to that required from Vendor under the Purchase Order. Where required by Purchaser, Vendor shall enforce its subcontract guarantees for the benefit of Purchaser or at Purchaser's discretion shall assign such guarantees to Purchaser and assist such assignee in the enforcement thereof.

10 STATUTORY AND SAFETY OBLIGATIONS

10.1 Vendor shall comply with all relevant statutes, laws, regulations, bye-laws and



TERMS AND CONDITIONS FOR PROVISION OF GOODS AND SERVICES
Revision 2 dated 07/06/2016

- EEC directives affecting performance of the Purchase Order and shall comply with Purchaser's safety regulations, a copy of which is available on request.
- 10.2 Vendor shall provide Purchaser in writing with such information as is necessary relating to the use of any materials and/or equipment supplied and/or used and its design, testing and use and relating to any conditions necessary to ensure it will be safe and without risk to health when properly handled, stored, transported and used.
- 10.3 Vendor shall give all notices and shall obtain all permits required to be given or obtained in Vendor's name which may relate to the Work and are required by any statute, law or regulation and shall bear all costs in connection therewith.
- 11 SUSPENSION**
- 11.1 Purchaser may by written notice require Vendor to suspend performance of the Work.
- 11.2 Vendor shall during suspension properly protect and secure any materials or equipment used in the performance of the Work.
- 12 TERMINATION FOR DEFAULT OR INSOLVENCY**
- 12.1 In the event of any default by Vendor in performance of any of its obligations hereunder, including without limitation the attainment of Delivery Date, or failing to carry out the reasonable instructions of Purchaser, Purchaser may when such default is capable of remedy give Vendor notice to rectify such default within the time specified. If Vendor shall fail to comply with the requirements of the said notice or in the event that in Purchaser's sole opinion Vendor's default shall be incapable of remedy to Purchaser's satisfaction, Purchaser shall be entitled to terminate the Purchase Order in whole or in part immediately by serving notice on Vendor to such effect without prejudice to any of its other rights under the Purchase Order or otherwise and shall have the right to retain any work previously supplied under the Purchase Order.
- 12.2 If Vendor becomes insolvent or if a petition in bankruptcy is filed against it, or a receiver, administrator, administrative receiver or liquidator is appointed in respect of Vendor, Purchaser shall have the right to terminate the Purchase Order immediately on notifying Vendor or receiver, administrator or liquidator or on notifying, anyone in whom the Purchase Order may become vested, without prejudice to the existing rights and obligations of Vendor and Purchaser.
- 12.3 Without prejudice to Purchaser's rights, on termination of the Purchase Order pursuant to Article 12, Purchaser shall be entitled to enter Vendor's premises or any place where the Work is situated and take possession of the whole or any part of the Work and remove the same, and title thereto (in so far as the same shall not already be vested in Purchaser) shall forthwith vest in Purchaser. Furthermore, Purchaser shall be entitled to retain and apply any balance of the Purchase Price in whole or in part which may be otherwise due to the Vendor towards the payment of completing the Work whether by itself or by a third party. If the cost of completing the Work exceeds the balance due to the Vendor, the Vendor shall pay the excess forthwith to the Purchaser.
- 13 TERMINATION FOR PURCHASER'S CONVENIENCE**
- 13.1 Purchaser shall be entitled at any time to terminate the Purchase Order in whole or in part by serving notice on Vendor to such effect and Vendor shall cease all performance hereunder unless and to the extent otherwise provided in the notice of termination. In such event, title in all Work including goods and materials for which Vendor shall have been or shall be paid shall pass forthwith to Purchaser.
- 13.2 Vendor acknowledges its obligation to take all reasonable steps to mitigate liabilities arising from such termination.
- 13.3 In the event of termination of the Purchase Order pursuant to Article 13, Purchaser shall be entitled to enter Vendor's premises or any place where the Work is situated and take possession of the whole or any part of the Work and remove the same, and title thereto (in so far as the same shall not already be vested in Purchaser) shall forthwith vest in Purchaser.
- 14 TITLE AND RISK**
- 14.1 Title in the Work shall pass to Purchaser on either
- (a) when the Work or part thereof are first identifiable as being appropriated to the Purchase Order or;
 - (b) payment for the Work (when title shall pass in proportion of the payments made therefore) or;
 - (c) acceptance of the Work by Purchaser at the specified delivery Point, whichever occurs first.
- 14.2 Notwithstanding passage of title (in whole or in part) on the occurrence of (a) or (b) above, risk shall remain with Vendor until delivery or acceptance of the Work by Purchaser in accordance with the provisions of the Purchase Order, whichever shall be the later.
- 14.3 All materials or equipment to be incorporated in the Work and Work the title of which has passed to Purchaser shall be clearly marked by Vendor as Purchaser's property and shall be stored separately from Vendor's property. Title and risk in rental equipment shall remain with Vendor at all times.
- 15 INDEMNITIES**
- 15.1 Vendor shall indemnify and hold harmless Purchaser Group against any action, liability, cost or expense (including legal costs and expenses) whatsoever arising by reason of:
- (a) Any infringement or alleged infringement of any letters patent, registered design, copyright or trade mark referring to the performance of The Work provided that this indemnity shall not apply in respect of an infringement arising as the result of the correct use by Vendor of a design supplied by Purchaser;
 - (b) Personal injury including fatal injury and disease and loss of or damage to or loss of use of the property of third parties arising out of or in connection with the performance of this Purchase Order irrespective of the negligence or breach of duty of any member of Purchaser Group. The indemnity and hold harmless in this Article 15.1.b shall be limited to GBP 5 million and excess liability shall be determined by applicable law;
 - (c) All injury to or death of personnel and agents of Vendor, its parent, subsidiary and associates, its subcontractors of any tier and its and their suppliers and/or loss of or damage to the property of Vendor, its parent, subsidiary and associates, its subcontractor's of any tier and its and their suppliers, including the property of, the personnel and agents of all of them arising out of or in connection with the performance of this Purchase Order irrespective of the negligence or breach of duty of any of member of the Purchaser Group.
- 15.2 Purchaser Group shall not be liable and Vendor shall indemnify, defend and hold harmless Purchaser Group in respect of any loss of profits or indirect or consequential loss whatsoever incurred in connection with the Work by Vendor, its parent, subsidiary and associates, its subcontractors of any tier and its and their suppliers and the employees, and agents of all of them irrespective of any negligence or breach of duty of any member of Purchaser Group.
- 15.3 Vendor shall maintain insurance cover against such liabilities as are referred to in Articles 15 (b) and (c) and shall provide to Purchaser on demand valid certificates of insurance in respect thereof.
- 16 INSURANCE**
- In addition to the requirements of Article 15.3, Vendor shall ensure that the following insurances are maintained by itself and its sub-contractors throughout the duration of the Work being carried out under the Purchase Order, with insurers acceptable to Purchaser:
- (i) Employer's liability Workmen's Compensation Insurance as appropriate to comply fully with all applicable laws.
 - (ii) Automobile Public and Passenger Liability Insurance placed with a United Kingdom insurance company and having unlimited indemnity.
 - (iii) General Liability Insurance having a limit of not less than £5 million sterling equivalent combined single limit any one occurrence covering all operations of the insured including without prejudice to the foregoing generally the contractual liabilities assumed herein.
- Vendor shall ensure that all such insurances waive all rights of subrogation against the Purchasers Group. The Vendor shall remit certificates evidencing said insurances.
- 17 FORCE MAJEURE**
- 17.1 Where either party is unable to perform the Purchase Order in the time specified by reason of Force Majeure they shall be entitled to a reasonable extension of time for performance. Always excepting inefficiency or late performance by Vendor or any of its subcontractors of any tier and suppliers.
- 17.2 Any right of Vendor to an extension of time to perform shall be without prejudice to Purchaser's right to terminate.
- 17.3 "Force Majeure" shall mean any acts of God, fire, explosion, flood, lightning, strike or labour dispute (other than strike or labour dispute by personnel of Vendor, its parent subsidiary or associate and its subcontractors of any tier) or suppliers, war, rebellion, riot or terrorism and changes to or an introduction of any general or local statute, ordinance, decree or other law or regulation or bye-law of any local or other duly constituted authority.
- 17.4 In any such event the party concerned should immediately notify the other party in writing and estimate how long these circumstances are likely to continue.
- 17.5 The party concerned shall take all reasonable steps to avoid further or consequential delay and to proceed with the due performance of the Purchase Order
- 18 LIENS AND CLAIMS**
- 18.1 Vendor agrees to pay discharge and hold Purchaser harmless from all liens, claims (including legal fees and other expenses incidental thereto, whether groundless or not) judgements and awards which may arise out of or in connection with this Purchase Order. Vendor shall at Purchaser's request, furnish proof satisfactory to Purchaser that all such liens, claims, suits, judgements and awards have been satisfied or released. Purchaser shall also have the right to make payment direct to any such lien holder or claimant and such payments shall be reimbursed by Vendor on demand, or deducted from such payments outstanding.
- 18.2 Vendor agrees to waive any right to exercise a lien to make a claim or seek a judgement or award against the Work or any part thereof at any time and acknowledges that his sole right in the event of any failure by Purchaser to perform any of its obligations under the Purchase Order is to seek financial relief in respect thereof.
- 18.3 Vendor shall if and when required by Purchaser (irrespective of whether Vendor shall have been paid for the Work or any part thereof) provide a certificate to the effect that the Vendor waives any lien on the Work or the right to make any claim or seek any judgement or award against the Work, or any part of thereof.
- 18.4 In the event that title has passed to Purchaser it shall at all times be entitled to enter Vendor's premises or any place where the Work is situated and take possession of the whole or any part of the Work and remove the same.
- 19 FREE ISSUE MATERIALS**
- 19.1 Where Purchaser provides free issue materials for incorporation in the Work, such materials shall remain the property of Purchaser but shall become at the risk of the Vendor and shall so remain until delivery to or acceptance of the Work by Purchaser in accordance with the provisions of the Purchase Order whichever shall be the later.
- 19.2 Vendor shall use such materials economically and any surplus shall be accounted for to the Purchaser and disposed of in accordance with Purchaser's instructions. Waste, loss of or damage to such materials arising from bad workmanship or failure of Vendor to maintain such materials in good condition shall be made good at Vendor's expense, replacements thereof to be equivalent quality and specification and subject to Purchaser's approval.
- 19.3 All such free issue materials provided by Purchaser shall be deemed to be in good condition when received by or on behalf of Vendor unless Vendor otherwise notifies the Purchaser within 48 hours.
- 20 DRAWINGS (Where applicable)**
- 20.1 Vendor shall prepare at his own expense and submit to Purchaser such drawings as Purchaser may require. Purchaser shall have the right to approve all drawings, but such approval shall not relieve Vendor of any of his responsibilities under the Purchase Order. Drawings shall not be departed from without Purchaser's written instructions.
- 21 PATENTS AND OTHER PROPRIETARY RIGHTS**
- 21.1 Title to, access to, copyright in, the right to possession of and free use of all intellectual property created under or arising in connection with the Work shall vest in Purchaser immediately upon date of commencement of the Work or creation of the article or documents as applicable.
- 21.2 Purchaser shall have the sole right to seek patents on any item or idea arising in connection with the Work.
- 22 CONFIDENTIAL INFORMATION**
- 22.1 Vendor, his officers, employees, subcontractors and agents shall maintain full secrecy and confidentiality on all matters not in the public domain concerning or arising from the Purchase Order or the tendering thereof for the period of 7 years from the date of signing of the Purchase Order.
- 23 TAXES**
- 23.1 Vendor shall be responsible for all taxes import duties, fees and the like related to the performance of the Work and shall indemnify Purchaser in respect of all liabilities and associated costs and expenses which may be incurred in connection therewith.
- 24 LAW AND LANGUAGE**
- 24.1 The Purchase Order shall be construed and shall operate in all respects in conformity with English Law and the parties hereby submit to the jurisdiction of the English Courts.
- 24.2 All documentation provided by Vendor or its subcontractors in connection with this Purchase Order shall be in the English language.
- 25 NOTICES**
- 25.1 Notices shall be validly given if sent by fax or received by recorded delivery post to the addresses for the parties stated respectively on the Purchase Order or to any address subsequently notified in writing by one party to the other party. Notices to Purchaser to be specifically marked for the attention of the "Financial Controller or Materials Supervisor."
- 26 ENTIRETY**
- 26.1 The Purchase Order and documents made a part thereof by express reference constitute the entire agreement between the parties and supersede all prior agreements and understandings written or oral and shall in any event supersede



TERMS AND CONDITIONS FOR PROVISION OF GOODS AND SERVICES
Revision 2 dated 07/06/2016

any terms and Conditions that may be contained in Vendor's delivery documentation.

27
27.1

WAIVER

None of the provisions of this Purchase Order shall be considered waived by Purchaser unless such waiver is given by Purchaser in writing.