

## 1. DEFINITIONS / INTERPRETATIONS

1.1 In these Terms and Conditions, the following words shall have the following meanings:

**“Claims”** shall mean all causes of action, demands of any kind, court costs and expenses including legal fees, consequential, direct or indirect damages, demands, fines, liabilities, losses, penalties or proceedings.

**“Company”** shall mean Innospection Limited and the relevant affiliated companies of Innospection Limited.

**“Company Personnel” or “Personnel”** shall mean the employees of the Company.

**“Contract”** shall mean any contract between Innospection Limited and Client consisting of the purchase or service order, these General Terms and Conditions and any other documents (or parts thereof) specified in the Contract including any amendment or supplement thereto.

**“Consequential Damages”** shall mean:

- a) consequential or indirect loss under the Laws of England; and
- b) loss and/or deferral of production, loss of product, loss of use, loss of revenue, profit or anticipated profit, loss of business or business opportunity, damages of any kind for failure to meet the deadline, loss of use, in each case whether direct or indirect to the extent that these are not included in (a), and whether or not foreseeable at the effective date of commencement of the Contract.

**“Customer” or “Client”** shall mean the party contracting to buy the Services and /or Goods.

**“Equipment”** shall mean all machinery, materials, supplies, tools and parts thereof belonging to the Company that are provided in connection with the Services performed by the Company.

**“Force Majeure”** Force majeure shall be understood to mean: any unforeseen circumstance beyond the control of the parties that prevents the contract from being respected in all reasonableness.

With regard to this, the following shall also be considered as force majeure, temporary (or not) malfunctions in one of the companies of the parties or malfunctions that prevent normal performance of the contract, including, but not restricted to, circumstances such as strikes, lock-outs, measures by the powers that be, a state of war and/or siege, fire, natural disasters, epidemics, an extremely long period of frost, extreme weather conditions and similar circumstances or circumstances due to subcontractors.

**“Goods”** includes all goods delivered or to be delivered by Innospection to the Client in the execution of the Contract including materials, processed materials or fabricated products.

**“Jobsite”** shall mean the place in which the Work is to be performed.

**“Hire Charges”** shall mean the price per calendar day applicable for Personnel or Equipment hire.

**“Mobilisation and Preparation Charges”** shall mean the price charges for enactment of Customer instruction to proceed.

**“Party or Parties”** shall mean either the Company or the Customer individually or the Company and the Customer collectively as appropriate.

**“Purchase Order” or “Service Order”** shall mean the valid purchase instruction from the Customer for the Work which incorporates these Terms and Conditions.

**“Quotation” or “Proposal”** shall mean a commercial offer, open for a specified period of time for acceptance by the Customer, to provide Services and/or Equipment by the Company to Customer.

**“Service or Services or Work”** shall mean all operations performed by the Company Personnel including the supply of Equipment to perform the operations in accordance with the Contract.

**“Standby Charges”** shall mean the price per calendar day applicable for Personnel and/or Equipment held available for operational use.

**“Sub-Contractor”** shall mean any person or business entity that is engaged to provide additional services, materials or equipment, other than those provided by the Company, necessary for the performance of the Contract.

## **2. APPLICATION OF TERMS**

- 2.1 These Terms and Conditions shall govern the Contract between the Customer and the Company.
- 2.2 There shall be no variation to these Terms and Conditions unless expressly agreed in writing by the Company.
- 2.3 All Terms and Conditions, prices, rates and other elements of chargeable value are subject to change without notice.

## **3. QUOTATION**

- 3.1 A written Quotation will be provided. This will be based on, but not limited to Customer supplied information of the intended scope of supply inspection requirements and specific terms stipulated in the Quotation.
- 3.2 Should the original inspection requirements or the project information supplied by the Customer change or prove to be as inaccurate as to change the basis of the original Quotation, the Company reserves the right to amend the original Quotation.
- 3.3 Provided in the Quotation are project terms stating the required state of the asset to be inspected and the requirements to be provided by the Customer on the Jobsite prior to and during the Work being carried out. Failure to uphold these requirements may result in the delay to the start of the Work and the incurrence of additional costs.
- 3.4 The amount stated in the Quotation for the Work serves only as a guide and the final invoice amount may change depending on the actual duration and content of the Work, logistics or operations being out of schedule and other cost variations incurred during the Work, including but not limited to standby charges, all due to no fault of the Company.
- 3.5 All Quotations are valid for sixty (60) days from the date of Quotation and the validity may be extended only at the Company's option.
- 3.6 Escalation: Unless clearly stated in the contract or offer, the agreed rates are fixed and firm for the duration of the contract, i.e. until the final invoice for the goods sold has been presented to the Customer. For contracts of long duration (exceeding 12 months), rates may be escalated according to a formula to be agreed upon separately. As a minimum this will be the Retail Price Index (RPI), as published for the 12 month average at the under month of consideration, plus two per cent (2%).
- 3.7 The copyright of offers shall remain vested in Innospection. Information taken from offers may only be copied following Company written consent.
- 3.8 Innospection reserves the right to consider a Contract as not having been concluded, as long as the Company commercial division has not confirmed the Order in writing.

## **4. PURCHASE ORDER**

- 4.1 Prior to the mobilisation of personnel and equipment, an official and valid instruction with reference to the Company Quotation must be received.
- 4.2 The Purchase Order shall constitute a Contract between the Customer and Company to carry out the Work subject to these Terms and Conditions, and the Customer shall expressly give notice of acceptance of these Terms and Conditions by signing the Order Acknowledgement.

## **5. PRICES**

- 5.1 All prices are in the currency stated in the Quotations, and failing such statement, it shall be considered to be in Great Britain Pounds (£).
- 5.2 In the event of lack of clarity or discrepancy within the price schedule, the decision on applicable currency is at the sole discretion of the Company.
- 5.3 All prices, rates and other elements of chargeable value are quoted exclusive of custom fees, import duties, and any taxes of whatever kind, including but not limited to withholding taxes, sales and excise duties, and the Customer shall be responsible for the payment thereof.

- 5.4 Standby Charges shall apply to Personnel and/or Equipment hire per calendar day applicable when:
- Personnel and/or Equipment are held available for operational use at the Jobsite.
  - Personnel and/or Equipment are retained mobilised but delayed due to the transportation and logistic issues or changes by the Customer
  - Equipment is in repair due to damages sustained while the Equipment is in the possession and control of the Customer.
  - Equipment is retained by the Customer after the completion of the Work and not returned to the Company's base immediately; with the agreement of the Company.

5.5 Transit Charges shall apply to Personnel and/or Equipment in transit from Company to Jobsite and return and are based on per calendar day.

## 6. **PAYMENT**

6.1 The terms of payment shall be as stated on the Company's Quotation. Standard payment term is thirty (30) days from the date of Invoice.

6.2 The Company reserves the option to seek Staged Payments (Payment Milestones) as stated in the Company's Quotation. Innospection's Standard Payment Milestones are:-

- Preparation and Mobilisation
- Inspection Programme and Equipment rental, Monthly Billing
- Final Invoice: Reporting

6.3 All payments, unless otherwise specified in the invoice, shall be made in the currency of the Quotation without any deductions or setoff. If no currency is specified, it shall be considered to be in Great Britain Pounds (£).

6.4 All custom fees, import duties, taxes of whatever kind (including but not limited to withholding taxes, sales and excise) and such like costs, not specifically included in the Quotation or in the invoice shall be paid by the Customer.

6.5 For payments not received more than 30 days after the date shown on the invoice, a written notice of default will be sent to Client.

6.6 In the event of delayed payment a surcharge will apply in the form of interest due to untimely performance obligations. This shall be charged at a rate of Bank of England base rate that applies during the period in which the debt falls due plus eight (8) percent.

6.7 The Customer agrees to pay all of the Company's costs including legal fees and court costs incurred in the collection of the due amounts from the Customer.

6.8 Payments shall be made without any deduction or set off.

6.9 The Company is entitled to demand the Customer to provide sufficient security for the contractual payment obligations, such as for instance, a bank guarantee.

## 7. **Variation**

7.1 Additional or less work shall be understood to mean changes in the scope and/or the nature of what has been agreed between Innospection and the Client before and/or during the performance of the contract, such changes having either or not been laid down in writing.

7.2 If circumstances occur that constitute a threat to people's health or safety and these circumstances were not notified to Innospection on conclusion of the contract, Innospection has the right to charge the extra costs related to this to the Client or to suspend all work, until the circumstances that constitute a threat to people's health and/or safety have been remedied by the Client.

7.3 If Innospection becomes aware of changes or proposed changes which will require additional work, Innospection will give the Customer early warning that the changes may affect a contract key date, cost or price.

7.4 All additional or less work, or any other changes need to be notified to Innospection on time and in writing. The Customer shall pay all charges following such contract amendments.

7.5 Innospection shall charge all additional work separately.

## **8. CANCELLATION**

- 8.1 Innospection reserves the right to make a charge for short-notice cancellation of orders.
- 8.2 For sale of products, short notice is defined within the proposal to supply. For mobilisation, short notice is defined as within two (2) working days of agreed mobilisation date.
- 8.3 The Customer shall notify the Company in writing on the cancellation of Contract.
- 8.4 In the event of cancellation, the following charges will apply:
- a) For notification received by the Company fourteen (14) days or less prior to the mobilisation of Company Personnel and Equipment, the Company will invoice the Customer for all incurred costs that are a direct result of the termination, calculated at Cost plus 15%.
  - b) For notification received by the Company after the mobilisation of Company Personnel and Equipment, the Company will invoice the Customer for all charges as stated in the Company's quotation, relating to preparation, mobilisation, travel, hire and Stand-by.

## **9. WORK DELAY**

- 9.1 For any delay to the start of the Contract and the performance of the Work, due to no fault of the Company, the Customer will be invoiced the Standby Rates for Company Personnel and Equipment in accordance to the Quotation.

## **10. REPORTS DRAWINGS, CALCULATIONS, DESCRIPTIONS**

- 10.1 The Company will issue an Interim Report at the Jobsite after the performance of the Work and prior to demobilisation. Unless otherwise agreed and stated, the Final Report will be compiled and issued to the Customer from the Company's base.
- 10.2 The Company's standard inspection reports will present the inspection results in accordance with the agreed and stated Customer's inspection criteria. No recommendation will be made and the Company accepts no liability for the suitability of service of the inspected assets belonging to the Customer or for any subsequent remedial actions to be performed by the Customer.
- 10.3 Drawings, calculations, descriptions, models, weights, sizes, capacities, prices, efficiencies and all other information in the brochures, circular letters, catalogues, prospectuses, advertisements, price lists and pictures are solely for information purposes. This information only binds Innospection in so far it is explicitly specified in the contract.
- 10.4 The drawings and technical descriptions made available to the Client before and after conclusion of the Contract remain as Innospection's property. The Client is not allowed to use, copy or multiply this information, nor pass it on to or inform third parties without Innospection's written consent, unless this is necessary for the performance of the order for which it was provided.
- 10.5 The know-how that was developed in the course of the performance of the contract, as well as the right in respect of a patent, will be Innospection's exclusive property, unless otherwise agreed in writing.
- 10.6 Reports, drawings and such that are the result of the services, belong to or are the property of the Client, subject to Innospection's copyright.
- 10.7 Reports issued to the Client by Innospection may only be published by the Client wholly and verbatim and must specify the name Innospection Ltd. Publishing is only allowed following Innospection's written consent.
- 10.8 The use of Innospection's reports, drawings and such by the Client for claims, for instituting legal proceedings together with the name of Innospection in whatever sense, is only allowed following Innospection's written consent. This permission will not be refused on unreasonable grounds.
- 10.9 The parties shall not divulge any information they are privy to and use it only for the reasons it was provided, unless this is common knowledge or was lawfully obtained other than via the other party.

## **11. RESPONSIBILITY FOR EQUIPMENT**

Where Equipment in the possession and control of the Customer:-

- 11.1 The Customer accepts and assumes all risk of accidental loss, destruction or damage to the Equipment from the time it is delivered to the Customer or appointed representative, including transit to the Jobsite, during the performance of the Work at the Jobsite and until the Equipment is returned to the Company's base.
- 11.2 Where equipment is not returned or is damaged beyond economic repair, the Customer shall pay for replacement on a "New for Old" basis..
- 11.3 For the Equipment that is damaged while in the possession and control of the Customer, but not beyond repair, the Company will repair the Equipment and all incurred repair charges will be invoiced to the Customer at cost plus 15% plus the Equipment downtime in accordance to the Standby Charges.
- 11.4 No charges of any kind incurred by the Customer in attempting to repair the damaged Equipment will be allowed as a deduction from other charges to the Customer related to the performance of the Contract.

## **12. FORCE MAJEURE**

- 12.1 The company shall not be liable for any special, direct and/or Consequential Damages for a failure to perform its obligation under the Contract where such failure or non-compliance is caused by an event of Force Majeure or any other occurrence beyond the reasonable control of the Company.
- 12.2 In the event that the Company is affected by Force Majeure or any such other occurrence, the time for performance of its obligations shall be automatically extended by the time equal to the duration of the Force Majeure or such other occurrence.

## **13. INSURANCE**

- 13.1 The Customer and the Company agree that each Party shall maintain suitable insurance to a level sufficient to meet their liabilities under any transactions contemplated by the Contract.

## **14. WARRANTY**

- 14.1 With due regard for the following, Innospection guarantees that it complies with the highest standards of workmanship, that the services are suitable for the purpose and use they are intended for, and comply with the requirements and specifications of the order.
- 14.2 Under this warranty Innospection will redo inspection at no cost for the Client. However, the warranty does not cover shipment, freight, travel and accommodation expenses, taxes or other charges, if applicable in conjunction with the repeat work. Nor does it cover any costs for making access to the location of the equipment, recovery of the equipment, dismantling, re-installation or re-commissioning after inspection.
- 14.3 Accordingly, services are provided on the understanding that Innospection guarantees only the soundness of the work. Innospection shall correct inspection defects caused by processing errors up to a maximum amount of the contract value of that service. However, for orders that exceed an amount of £10,000, a maximum of £10,000 applies.
- 14.4 The warranty provisions also apply to pilot installations, prototypes, studies and research, on the understanding that Innospection only has an obligation to perform to the best of its ability.
- 14.5 If Innospection performs services under the supervision of the Client or by seconding personnel to the Client, Innospection only guarantees that the personnel will have the required expertise.

## **15. LIABILITY**

- 15.1 Following acceptance, Innospection is no longer liable for shortcomings other than respecting its guarantee obligations specified in clause 14.
- 15.2 Without prejudice to the provisions specified in these conditions with regard to Innospection's liability, Innospection does not accept any liability for loss due to business interruption and/or other forms of indirect or consequential damage and damage vis-à-vis third parties, unless Innospection and/or Innospection employees act intentionally or are guilty of gross negligence.
- 15.3 Innospection does not accept any liability for errors or defects whatsoever if Innospection did not receive any consideration for its services or products.

15.4 Any demand that contractual obligations be met by Innospection shall be null and void if the Client has not fulfilled all its obligations vis-à-vis Innospection.

15.5 In case of seconding personnel, the personnel provided by Innospection will work under the direction and supervision of the Client. Therefore, Innospection is not responsible for damage or loss to any property or injury including disability or death of personnel of the Client, during the performance of the services or the seconding of personnel unless Innospection's personnel commit a wilful act or an act of gross negligence.

## **16. INDEMNITY**

16.1 The Customer shall save, defend, indemnify, and hold harmless the Company (and any other person, real or corporate, for which the Company may be responsible in law) from and against all claims, losses, damages costs (including legal costs), expenses and liabilities in respect of:

- a) loss of or damage to equipment or property of the Customer arising from or relating to the performance of the Contract by the Company located at any place where the Work is being performed;
- b) personal injury including death or disease to any person employed by the Customer arising from or relating to the performance of the Contract by the Company; and
- c) loss of or damage to equipment or property of the Customer arising from or relating to the performance of the Contract by the Company's sub-contractor(s) located at any place where the Work is being performed;
- d) personal injury including death or disease to any person employed by the Customer arising from or relating to the performance of the Contract by the Company's Sub-Contractor(s).

## **17. CONSEQUENTIAL LOSSES AND LIQUIDATED DAMAGES**

17.1 The Company shall not be responsible for, nor shall it bear any liability under the Contract for incidental, indirect or Consequential Damages of any kind, arising from, relating to or in connection with the performance or non-performance of the Contract.

17.2 In case of a delay in the agreed delivery period that can be attributed to Innospection and the Customer suffering demonstrable damage as a result of this, Innospection shall owe liquidated damages of 0.5% of the price agreed for the work for every full week of delay up to a maximum of 5%. Payment of liquidated damages is the sole remedy of the Client.

17.3 The Company shall accept no other penalties relating to performance.

## **18. TERMINATION**

18.1 In case of the improper or not timely fulfilment of his obligations by the Client or in case of force majeure, (impending) bankruptcy, suspension of payment, the closing down or winding up of the Client's company, Innospection is entitled, without judicial intervention, to dissolve the contract wholly or partly, without Innospection being liable to pay any damages or forced to provide guarantees. This provision is without prejudice to Innospection's other rights.

## **19. ENTICEMENT OF STAFF**

19.1 During the performance of the Contract and for a period of 12 months after the Contract has ended, the Client will not offer employment or create or accept any other form of business association with the personnel of Innospection.

## **20. DISPUTE RESOLUTION**

20.1 Any dispute, controversy or claim arising out of or in connection with the Contract, or the breach or validity thereof, which is not settled amicably by the Customer and the Company within thirty (30) days of first arising will generally be settled by arbitration under the Arbitration Act 1996 (England & Wales) through a suitably qualified and appointed Sole Arbitrator forming an arbitral tribunal of one (1).

20.2 The Arbitrator shall be mutually appointed by the Parties or by the President of the Chartered Institute of Arbitrators, London at the request of a Party if the Parties fail to agree a mutually appointed Arbitrator within seven (7) days of commencement of dispute resolution by arbitration.

20.3 The costs of the arbitration proceedings (including legal fees and costs) shall be borne in a manner determined by the arbitrator. Nothing in these Terms and Conditions shall inhibit either Party from taking action in a court in any relevant jurisdiction.

**21. GOVERNING LAWS**

21.1 Unless otherwise previously agreed and stated in writing, the Contract will be governed by and construed, interpreted and enforced in accordance with the non-exclusive jurisdiction of the Laws of England.