

GENERAL TERMS & CONDITIONS PURCHASE SERVICES

1. DEFINITIONS

1.1 The definitions used in the SARENS Purchase Conditions shall apply to these SARENS Service Conditions and in addition, the following words shall have the following meanings:-

Amendment:	Any modification to the terms and conditions of this document or to the SARENS Purchase Conditions.
Changed Work:	Work that is deleted or different from the original scope of work.
Change Order:	Written authorization issued pursuant to Condition 5 herein.
Completion:	Final Completion as defined below.
Consumables:	Materials consumed in the work and furnished by SARENS or Contractor as further defined in the order.
Contractor:	The Seller, (as defined by the SARENS Purchase Conditions), or the Tenderer, as defined below, and including, but not limited to, the Contractor's legal personal representatives, successors and assigns.
Contract Work:	The service to be performed by the Contractor under the Purchase Order.
Final Acceptance:	Shall occur when all conditions of the Contract Work have been satisfied and evidenced by SARENS written notification of final acceptance.
Materials:	Any tangible items to be incorporated into the Contract Work, including but not limited to all materials, equipment, machinery, parts, and supplies unless otherwise stated, furnished by Contractor, its contractors or material suppliers, or by others.
Rate Structure:	The configuration of the fees chargeable by the Contractor, lump sum, time and material, or unit rate.
Regulations:	the Regulations and Special Safety Conditions for Contractors issued by the Purchaser for the particular Site.
Site:	The Purchaser's site as defined in the Purchase Order or in the tender documents.
Specifications:	The criterion for the Services provided by the Purchaser to the Contractor.
Subcontract:	Any contract at any lower tier to this Contract.
Subcontractor:	Any contractor lower tier to the Contractor named in this Contract, and Contractor's suppliers, and agents.
Supplies:	Any tangible item, not to be incorporated into the Contract Work, which is used or is necessary to perform the Contract Work.
Tenderer:	The tenderer whose tender has been accepted by the Purchaser.
SARENS Engineer:	The engineer nominated by the Purchaser.
SARENS Service Conditions:	SARENS Conditions and Regulations of Service contained herein.

2. GENERAL

2.1 These SARENS Service Conditions shall govern the Contract Work performed by the Contractor. SARENS Service Conditions are the only conditions upon which SARENS is prepared to contract with the Contractor, they shall govern the Contract to the entire exclusion of all other terms or conditions and any variation of the Contractor to the SARENS Service Conditions shall have no effect unless expressly agreed in writing by the Purchaser.

2.2 The Contractor shall be responsible for instructing his employees and agents (including his sub-contractors) and making known to them the contents of these SARENS Service Conditions. The Contractor upon entering or working on the Site shall comply with these SARENS Service Conditions, the Regulations and special safety conditions for Contractors, together with all other relevant site rules, health and safety regulations and environmental and quality assurance policies as may be issued from time to time by the Purchaser.

2.3 The Contractor shall undertake the Contract Work in accordance with all relevant legislation, bylaws and standard or code of practice. The Contractor shall obtain all necessary licenses, permits and approvals in connection therewith, and shall use suitable and proper equipment.

3. WORKING ARRANGEMENTS

3.1 The Contractor is deemed to have understood the nature and extent of the Contract Work and to have made all the necessary survey, analysis and inspections of the Site and relevant business and shall make no claim founded in its failure to do so. The Purchaser shall, on request of the Contractor, grant such access as may be reasonable for this purpose.

3.2 During the Contract Work, the Purchaser shall allow the Contractor and its employees, agents and sub-contractors, duly listed to the Purchaser, such access to the Site as is reasonably required for the purpose of the Contract Work and concurrently with the execution of work by others.

3.3 When requested, the Contractor shall nominate one or more competent representatives, whose name or names shall have previously been communicated in writing to the Purchaser by the Contractor, to superintend the carrying out of the Contract Work on Site. The said representative, or if more than one shall be nominated, then one of such representatives, shall be present on the Site during working hours, and any orders or instructions which the Purchaser may give to such representative of the Contractor shall be deemed to have been given to the Contractor.

4. CONTRACTOR'S EMPLOYEES, AGENTS & SUB-CONTRACTORS

4.1 The Contractor shall only use on Site such workmen or agents or sub-contractors as are suitably trained, skilled and experienced. The Purchaser shall have the right to require the Contractor to refuse any person who is incompetent, unproductive, negligent or guilty of misconduct relating to its employment or who in the opinion of the Purchaser should otherwise not be employed for this assignment.

4.2 The Contractor shall not sub-let whole or part of the Contract Work to a sub-contractor without the previous written consent of the Purchaser. The Contractor is responsible for instructing its employees, agents and any sub-contractors approved by the Purchaser and making known to them the contents of these SARENS Service Conditions and the Regulations, and insuring that its sub-contractors comply with the rules of a particular Site including proof of insurance, documentation, Regulations and Special Safety Conditions for Contractors.

4.3 The Purchaser reserves the right to request any of the Contractors or sub-contractors to undergo a test of skills on the Site and if they fail such a test then they may be removed from the Site at the request of the Purchaser.

5. VARIATION OF CONTRACT WORK

5.1 The Contractor shall not vary any of the Contract Work, except as directed in writing by the Purchaser.

6. FREE ISSUE MATERIALS

6.1 The Contractor shall be responsible and account for all materials issued free to him by the Purchaser for the Contract Work and shall properly declare the use thereof in accordance with the Purchaser's instructions.

6.2 The Contractor shall replace at its own cost all such materials which are lost, inefficiently used or become damaged for any reason.

6.3 The Contractor shall return to the Purchaser all such materials which are not used by the Contractor in the execution of the Contract Work.

7. CONTRACTOR'S DEFAULT

7.1 The Purchaser may give the Contractor seven (7) days written notice (or shorter period if requested for safety or emergency reasons) to remedy the following defaults or breaches, if the Contractor:

- is not executing the Contract Work in accordance with or as specified in the SARENS Service Conditions and/or the Purchase Order; or
- is not proceeding fast enough to ensure the completion of the Contract Work by the time stipulated in the Contract or that such time has already expired; or
- has refused to carry out a reasonable instruction of the Purchaser for the execution of the Contract Work.

7.2 Should the Contractor fail to comply with such notice the Purchaser may, at the expense of the Contractor and without prejudice to any of its other right:

- determine the Contract terminated, and perform himself such of the Contract Work as the Contractor has failed to; or
- take the Contract Work wholly or in part out of the Contractor's hands and re-contract it to any other person; or
- make such modifications, substitutions or addition to the Contract Work as he considers necessary to ensure the satisfactory execution thereof.

7.3 In the event of repeated breaches of these SARENS Service Conditions, or general misconduct by any employee, agent or sub-contractor of the Contractor, the Purchaser shall reserve the right to terminate the engagement of the Contractor and to cancel the Purchase Order.

8. TIME FOR COMPLETION

8.1 Unless for safety and/or emergency situations, the Contractor shall make no delivery nor commence any work on Site before obtaining a valid Purchase Order Number issued by the Purchasing department of the Purchaser.

8.2 The Contractor shall within seven (7) days of a request to do so, submit to the Purchaser for its approval, a detailed and binding plan showing how it proposes to carry out the Contract Work. The Contractor shall also give written details of his arrangements for carrying out the Contract Work and of any temporary works in particular, a description of erection methods and erection equipment and the numbers and qualification of its erection labor. The submission of such program for the approval of the Purchaser or the giving of such details shall not relieve the Contractor of any of its duties or responsibilities under the Contract.

8.3 Without prejudice to any other right of the Purchaser, should the Contract include a completion date for the work and if Contractor fail to complete the Contract Work by the date stated in the Purchase Order (or by extension thereto confirmed in an amendment order), the Purchaser shall be entitled to recover liquidated damages from the Contractor at the rate of three percent (3%) of the Contract Price for each week of delay.

8.4 The Purchaser may give written notice to the Contractor to suspend the Contract Work or any part thereof and the Contractor shall during such suspension properly protect and secure the Contract Work. The extra cost (if any) to the Contractor in respect of the Purchaser's instructions under this condition shall be paid by the Purchaser unless such suspension is:

- otherwise provided for in the Contract; or
- necessary for the proper execution of the Contract Work due to weather conditions or by the Contractor's default; or
- necessary for the safety of the Contract Work or any part thereof.

8.5 The Purchaser shall be liable for such extra costs in so far as they are reasonable, provided that the Contractor shall not be entitled to recover any such extra cost unless it makes a written claim within twenty eight (28) days of the Purchaser's notice or they result from breach or negligence by the Contractor.

9. RATE STRUCTURE

9.1 Unit Rates

The all-inclusive Unit Prices are fixed for the duration of the Contract Work, not subject to escalation, and include all costs for the supply and execution of the Contract Work, including labor, supervision, materials, equipment, consumables, transportation, testing services, general work expenses, overhead, taxes and profit. The Unit Prices shall include all work the Contractor is required to perform without regard to the quantities involved, difficulty in performing the work, materials or equipment required and specific handling of materials and equipment. All Unit Prices shall apply at 100% of their value for both additions and deletions to the scope of work unless mutually agreed otherwise in accordance with the contract documents. All invoices will include supporting detail for the charges including, but not limited to, the cost for material, equipment and labor.

9.2 Lump Sum

The all-inclusive lump sum shall be one fixed price, regardless of the ultimate cost. The charges for all materials will not be separate from the charges for skill and labor and progress billings will not be applicable unless agreed to separately in writing by the Purchaser. All invoices will include supporting detail for the charges including, but not limited to, the cost for material, equipment and labor.

9.3 Time and Material

Rate sheets including base wage and transparent markup percentages will be provided to the Purchaser before work begins. Any changes to base wages must be approved by Site management. Any changes to markup percentages must be approved by the purchasing department. The Purchaser reserves the right to audit Contractor records in this regard. Any double time work must be approved in writing by SARENS Engineer prior to the commencement of such work.

10. PAYMENT TERMS

10.1 The Purchaser shall pay the price of the Goods within thirty (30) days after the Purchaser receives a properly prepared; true and correct invoice from the Contractor. The payment term under this Condition 10.1 shall prevail over Condition 15.1 of the SARENS Purchase Conditions.

10.2 The invoice shall be accompanied by such records or other written proof as the Purchaser deems adequate to verify the billings appearing therein and including by example but not limited to the following information:

- address to which payment is to be remitted;
- date of invoice;
- Purchase Order Number;
- period during which services being invoiced were performed;
- applicable discounts or credits backup; including receipts, for acknowledged reimbursement by the Purchaser.

10.3 Where any element of the Contract Work is the subject of a provisional payment, this invoice with all accompanied documents as described in Condition 10.2 shall be sent to and approved by the responsible and appointed project leader. Progress payments shall be based on:

- the percentage of completion of work, as determined by the Purchaser, for work paid on a lump sum amount basis;
- actual incurred and approved costs supported by documentation for work paid on a time and materials basis; or
- unit prices multiplied by actual quantities of work acceptable to the Purchaser for work performed on a unit price basis.

10.4 The Contractor shall make available to the Purchaser the copies of any invoices, delivery notes, labor returns or other supporting documents that the Purchaser may require. All such documentation must be approved and signed by the appropriate SARENS Engineer or his designee. Failure to adhere to this procedure will inevitably ensure delays in payment.

10.5 At the Purchaser's discretion, payment shall be subject to retention of ten percent (10%). The Purchaser shall have the right to withhold additional amounts if Contractor is behind schedule, or for any other reason set out in SARENS Purchase Conditions or SARENS Service Conditions as determined solely by the Purchaser.

10.6 The Contractor is not entitled to and herewith explicitly waives any right of retention or any right of postponement or suspension in respect of its obligations.

11. LIABILITY FOR DAMAGE OR INJURY

11.1 The Contractor shall take every practicable precaution not to damage or injure any property or persons. The Contractor shall satisfy all claims founded in any such damage or injury which arise out of or in consequence of any operations under the Contract whether carried out by the Contractor or any of its sub-contractors and whether such claims are made by the Purchaser or by a third party against the Purchaser ("Claim").

11.2 The Contractor shall indemnify the Purchaser against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, cost and expenses (including reasonable legal and other professional fees and expenses) arising in connection with a Claim, provided, however, that nothing in this condition shall render the Contractor liable for any injury or damage resulting from any negligent act or omission of the Purchaser, his servants or agents, or any other contractor employed by the Purchaser.

11.3 The Contractor shall give immediate notice to the Purchaser in the event of any accident or damage whether or not likely to form the subject of a Claim and shall give all the information and assistance in respect thereof that the Purchaser or the Purchaser's insurers may require. The Contractor shall not negotiate, pay, settle, admit or repudiate any claim without their written consent, and shall permit the Purchaser or the Purchaser's insurers to take proceedings in the name of the Contractor to recover compensation or secure an indemnity from any third party in respect of any such matters.

12. INSURANCE

12.1 Contractor's Obligations to Insure

Without prejudice to the Contractor's obligations and responsibilities under the Contract Work or otherwise the Contractor, at its expense, shall carry and maintain in force at all times relevant hereto the following insurance, on policy forms and with

insurance companies acceptable to the Purchaser and at the indicated minimum coverage limits, or such higher limits as the Purchaser may require, or the limits provided under insurance currently held by the Contractor as of the effective date of the Contract Work, whichever is greater.

12.2 Contractor's Insurance

(a) **Automobile Liability Insurance.** The Contractor is to provide coverage against claims by third parties in respect of bodily injury (including death) and property damage arising out of or in connection with the use of all owned, leased, non-owned and hired vehicles used in the performance of the Contract Work hereunder with a 800.000 Euro (or its equivalent local currency) limit per occurrence, or such greater amount as may be required to comply with the laws of Site.

(b) **Workers Compensation and Employer's Liability Insurance.** The Contractor agrees to comply with all Statutory Requirements relating to workers compensation (or equivalent) and to maintain a worker's compensation and employers' liability policy or similar coverage in execution of the Contract Works and for the full duration of the period of Contract Works. This policy shall be endorsed to provide coverage for occupational disease. Workers Compensation insurance to comply with Statutory Requirements. Employer's Liability: 80.000 Euro each accident (minimum) (or its equivalent local currency) 80.000 Euro (or its equivalent local currency) disease each employee (minimum).

(c) **Third Party Liability Insurance.** The Contractor shall insure against legal liability to third parties for any loss, damage, death or bodily injury which may occur to any physical property (but not the Contract Work) and to any person arising out of the performance of the Contract Work away from the Site and occurring on or before final acceptance of the Contract Work. Limit of Indemnity: 800.000 Euro (or its equivalent local currency) each occurrence (minimum).

(d) **Professional Liability.** When required, the Contractor shall insure for professional liability with coverage equal to or greater than 1.600.000 Euro (or its equivalent local currency) per claim and aggregate for design related work.

(e) **Contractor's Equipment Insurance.** The Contractor shall insure against loss or damage for its full replacement value whilst in transit to the Site from commencement of loading until completion of unloading at the Site and while on the Site for the full duration of the period of the Contract Work all Contractor's Equipment including, but not limited to:

- all construction equipment, sheds, field offices, tools, machinery, equipment and appliances which are owned by the Contractor or for which they are responsible;
- all personal property of Contractor's employees.

(f) **Watercraft Insurance.** If the Contractor employs watercraft, the Contractor shall or, shall require that the vessel owner's, take out and maintain customary hull and machinery, protection and indemnity policies with limits of liability of full replacement cost of the watercraft or 1.600.000 Euro (or its equivalent local currency) each occurrence whichever is greater.

12.3 **Policy Provisions/Endorsements.** The insurance policies required shall contain the following provisions, or Contractor shall provide endorsements on forms supplied and approved by the Purchaser and add the following provisions in the insurance policies:

(a) **Automobile Liability.** The automobile liability policy shall be endorsed to state that:

- the Purchaser and, its directors, officers, employees, and agents shall be covered as additional insureds with respect to the operation, maintenance, use, loading or unloading of any motorized vehicle owned, leased, hired or borrowed by Contractor or for which the Contractor is responsible; and
- the insurance coverage shall be primary insurance as respects the Purchaser and, its directors, officers, employees, and agents, or if excess, said excess shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage.

Any insurance or self-insurance maintained by the Purchaser or its directors, officers, employees, or agents shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

(b) **Worker's Compensation and Employer's Liability Insurance.** The insurer shall agree to waive all rights of subrogation against the Purchaser and, its directors, officers, employees, and agents for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

(c) **Third Party Liability Insurance.** The third party liability policy shall be endorsed to state that:

- the Purchaser, their directors, officers, employees, and agents shall be covered as additional insureds with respect to the performance of the Contract Work by the Contractor, its officers, employees, agents, representatives, consultants or sub-Contractors; and
- the insurance coverage shall be primary insurance as respects the Purchaser and, its directors, officers, employees, and agents, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage.

Any insurance or self-insurance maintained by the Purchaser their directors, officers, employees, or agents shall be excess of Contractor's insurance and shall not be called on to contribute in any way. The policy shall provide severability of interests or cross liability clause.

(d) **Contractor's Equipment Insurance.** The policy shall be endorsed to state that the Purchaser, their directors, officers, employees, and agents shall be covered as additional insureds.

(e) **Watercraft Insurance.** The policy shall be endorsed to state that the Purchaser, their directors, officers, employees, and agents shall be covered as additional insureds.

12.4 **Contractor's Insurance Obligations.** The Contractor shall comply with the following in relation to Contractor's Insurances.

(a) Any deductibles or self-insured retentions must be declared and approved in writing by the Purchaser and Contractor shall guarantee that, at the option of the Purchaser either

- (i) the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Purchaser, its directors, officers, employees, and agents; or
 - (ii) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.
- 12.5 Contractor shall furnish the Purchaser with original certificates of insurance and endorsements effecting coverage required by these Service Conditions on forms satisfactory to the Purchaser. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms approved by the Purchaser. The Purchaser reserves the right to require Contractor to provide it with certified copies of all required insurance policies, at any time.
- 12.6 Contractor shall maintain in full force the insurance required by this Insurance Conditions and shall reasonably renew all required coverages during the term of the Contract Work for a term of two (2) years after final completion of the Services.
- 12.7 Contractor shall not commence Work until certificates of insurance evidencing the coverages required above have been filed with the designee of the Purchaser. Such certificates shall provide that the insurer will give both the Purchaser and Contractor thirty (30) days advance notice of any cancellation or non-renewal of coverage. Contractor agrees to provide the Purchaser with thirty (30) days advance notice of any material change in, or exclusion from, its coverages which would cause Contractor to be non-compliant with the requirements of this Condition 12.
- 12.8 The Purchaser shall require that any of the consultants or Subcontractors that Contractor employs to carry the same coverages in the same limits as set out above, and other coverages as Contractor deems appropriate. To the extent that said coverages are required, Contractor shall not allow any of its Subcontractors to commence work until they have provided evidence sufficient to the Purchaser that they have secured all insurance required under this Section. If requested by Contractor, the Purchaser may approve different scopes or minimum limits of insurance for Subcontractors. Unless approved by the Purchaser, the Contractor and Subcontractors shall comply with each and every provision of this Condition 12.
- 12.9 Neither the provision of nor the failure of Contractor to comply with any or all of the insurance provisions nor the failure to secure endorsements on policies as may be necessary to carry out the terms and provisions of the Contract Work shall be construed to limit or relieve Contractor from any of its obligations under law and the Contract Work including this Insurance Conditions.
- 12.10 Contractor's Failure to Insure. If the Contractor shall fail to comply with his obligations to effect and keep in force the insurances referred to herein, the Purchaser may effect and keep in force any such insurances and pay such premiums as may be necessary for that purpose and from time to time deduct the amount so paid by the Purchaser from any monies due or which may become due to the Contractor under or recover the same as a debt from the Contractor.
- 12.11 The Purchaser's Insurances. Without prejudice to the Contractor's obligations and responsibilities under the Contract or otherwise at law, the Purchaser may take out and maintain certain insurance coverages.
- 12.12 All insurance to be effected by the Purchaser shall be with insurers and on terms to be approved solely by the Purchaser. The Contractor shall be deemed to have satisfied himself and shall cause any Subcontractor to satisfy himself with regard to the extent of any coverage provided under the policies of insurance effected by the Purchaser.
- 12.13 The Contractor is deemed to have read and understood all the terms of any insurances provided by the Purchaser. If, in the Contractor's opinion, the amounts and/or risks insured are insufficient to cover the Contractor's duties, obligations and liabilities or otherwise, the Contractor may effect such further insurance at Contractor's own expense as Contractor considers necessary. The Contractor shall for himself and on behalf of all Subcontractors accept the insurance policies effected by the Purchaser as if they had been arranged by him directly and shall with all due diligence procure, observe and fulfill and ensure that his Subcontractors procure, observe and fulfill the terms, provisions and conditions contained in the said policies.
- 12.14 Compliance with Insurances. The Contractor shall comply and ensure that all its officers, employees, agents and Subcontractors comply with all conditions and meet all requirements of insurers in connection with the settlement of claims, including the keeping and provision of all records, evidence or documents necessary to substantiate claims. All costs and incidental expenses incurred in relation to the preparation of claims under the policies arising out of matters for which the Contractor is responsible under the Contract Work shall be borne by the Contractor.

Name : _____

Signature : _____

Title : _____

Company : _____

Date : _____