

# Terms

## Terms and conditions of Global Gravity ApS

### 1. INTRODUCTION

Unless otherwise agreed in writing, the following General Terms and Conditions shall be effective (hereinafter referred to as the "Terms") for Global Gravity ApS, CVR nr. 33 95 07 05, Lillebæltsvej 37, 6715 Esbjerg N, Denmark (hereinafter referred to as GG), services, including equipment rental services regarding Rig Ready TubeLock® Running System (hereinafter referred to as Tubelock or equipment) and/or any other equipment, spare part or other services supplied by GG to the Customer.

The Customer's General Conditions of Purchase will not be considered irrespective if these are a part of the Customer's sales documents, including acceptance. This applies whenever the Conditions of Purchase are presented.

### 2. OFFER, ORDER AND ACCEPTANCE

GG's written offer which does not indicate a period within which acceptance must be given lapses if the acceptance accordingly has not arrived to GG within 30 days from the date of the offer. Oral offers have to be accepted immediately.

GG's offers are made subject to availability of the equipment and no guarantee of supply is given.

GG's services or supplies only cover what appears from the order confirmation/invoice. Modifications in or amendments to the original agreement are not binding without written confirmation from GG. At any time a security for the full amount can be required e.g. in the form of a bankers guarantee – before the rental services will be commenced.

Customer may not assign the lease agreement, in whole or in part, without the prior written consent of GG.

### 3. PRICES

All prices are in EURO € exclusive VAT, freight, customs, taxes and other expenses. If the prices of the offered or agreed delivery or service is changed as a result of the changes in the commodity prices, exchange rates, freight, customs, taxes, GG is entitled to change the offered and / or agreed prices towards the Customer. Unless otherwise agreed the price will be Ex Works.

All variable costs are defrayed by the Customer, including crew changes, meals and accommodation, weather downtime, maritime cost, vessels and charter costs, air freight costs, or freight charges and/or transportation to and from the work site.

GG prices and schedule are based upon unrestricted access at all times in order to perform the work and any changes hereto shall entitle GG to adjustments in the contract price and time extensions and change to the programme

### 4. PAYMENT

Unless otherwise stated, rental is paid in advance every month.

By late payment a default interest will be charged at the rate of 12% per month as from the due date.

Payment by set-off can not take place if the counterclaim has been disputed.

If the Customer is filing for protection from creditors in any court of competent jurisdiction, or if the Customer breach any of the provisions in these Terms, or breach the agreement in any other way, or if the Customer does not comply with the terms of payment this will be considered as a material breach which entitles GG to terminate the agreement and to demand for the immediate return of the leased equipment and payment of any outstanding amount due as well as not due.

Customer shall pay all reasonable attorney and other fees, expenses and costs inflicted on GG in protection its rights under this rental agreement, and for any action taken by GG to collect the equipment and any amounts due under this rental agreement.

## 5. RENTAL PERIOD, TERMINATION, CANCELLATION AND MODIFICATION OF THE ORDER

The rental period shall commence when the equipment leaves GG's address or on the agreed delivery time, whichever is the earliest. The rental period stops when the equipment arrives back at GG's address. Upon the Customers termination of the rental agreement, a return date will be arranged between the parties.

The minimum rental period for day rate is 30 days. For yearly contracts the minimum rental period will follow length of contract.

If the equipment is not returned at the end of contract the rental will follow day rate according to price list. Customer is liable for any losses, costs or damages due to such late return.

If GG approves a modification of the order the Customer is obliged to pay the expenses in connection with this modification.

In connection with a cancellation in whole or in part, or an unjustified termination the Customer is obliged to pay 80% of the total contract value. Besides and on top of the lease, GG reserves the right to bill the Customer any costs incurred by GG in the preparation or transportation of equipment (including but not limited to: consumables, slings, craneage, haulage and manpower) for a call out which is subsequently cancelled shall be recharged to Customer at cost +10%.

## 6. MAINTENANCE AND RISK

a) The Customer is obliged to maintain the equipment according to GG's instructions. Customer shall keep the equipment in good state of repair, normal wear and tear excepted. All maintenance and repair costs are defrayed by the Customer

b) The Customer shall not dress, change, alter or modify (or obtain the service of any other party to dress, change, alter or modify) the equipment in any way without GG's written approval.

c) The equipment may only be used and operated in a careful and proper manner and always in accordance with all laws, regulations and any other requirements or instructions.

d) The Customer shall bear the entire risk of loss, theft, destruction, or damage of the equipment or any part hereof during the entire rental period (from commencement until return of the equipment).

e) The Customer can only use the equipment for the agreed purpose and on the agreed location.

f) Upon return the equipment shall be in a good state and free of any defects, normal wear and tear excepted.

g) Any equipment lost, damaged beyond repair or not returned on completion of the rental period shall be recharged at full replacement cost at time of loss. GG can provide an accurate equipment rate applicable at time of loss or damage. If equipment is damaged, the Customer shall pay for any necessary repair costs.

## 7. DELIVERY AND TRANSPORTATION

Delivery terms are otherwise agreed ex-works so that the Customer bears the risks and expenses in connection with the delivery. Equipment shall be available at GG's address, and on completion of contract shall be returned to GG's address. The Customer is obliged to have the rented equipment fully insured during transportation. All freight (mobilisation, demobilisation, local), associated costs, customs duties, taxes, insurances and levies shall be arranged and paid by the Customer. GG can help arrange and send the rented equipment if this is agreed upon. If GG arranges for transportation and initially pays the associated costs, such costs shall be charged to Customer at cost +10%. Customer shall be responsible for and bear cost of customs clearing during mobilisation and demobilisation.

## 8. DELIVERY TIME

Delivery times are non-binding, if not confirmed expressly in writing. Any obligation to deliver is subject to the prompt and orderly fulfilment of the obligations of the Customer including Customers responsibility to deliver correct and adequate information regarding specifications, technical data and instructions.

The delivery time is stipulated by GG in accordance with the conditions which existed at the time when the offer was made and/or concluded. GG shall without undue delay notify the Customer about changes in delivery time.

The time of delivery is extended reasonably in case of unforeseeable events, which GG despite reasonable care and efforts, and by using appropriate means, are not able to avert, irrespective of whether such circumstances occurred at GG's company or GG suppliers. Such unforeseeable events include breakdowns, official interventions, power supply difficulties, transport deficiencies, delay in supply of important raw materials or products, as well as strike and lockout. GG will inform the ordering party about such impediments immediately.

Delay in delivery does not give the Customer any right to cancel the order until written statement has been sent to the GG to inspect the circumstance and GG will then be given reasonable time to deliver the equipment.

GG cannot in any way be held liable for the Customers direct or indirect losses, expenses or damages of any kind caused by delay in the delivery of the rented equipment or of any associated products or services, notwithstanding the reason.

## 9. DEFECTS AND COMPLAINTS

Upon commencement of the lease agreement the Customer shall without undue delay and within 3 days from delivery of the leased products perform such an examination of the products as proper trade practices require. If the Customer wants to invoke a defect the Customer shall without undue delay and within 14 days after the defect has been discovered or should have been discovered give GG Written Notice specifying the defect. The notice shall contain a description of how the defect manifests itself. Notice of a defect shall be given immediately if there is a reason to believe that the defect may cause damage.

If the Customer has or should have discovered a defect and the Customer fails to make a complaint as stated the Customer shall forfeit his right to make any claim in respect of the defect.

GG makes no warranty of any kind, and is not liable for defects of any kind, regarding the rented equipment except that GG in the first 6 months period after the commencement of the lease agreement shall replace the equipment with identical or similar equipment or make the necessary rectification works if the equipment fails to operate in accordance with GG's specifications and operation instructions and this is not due to the Customers lack of maintenance or repairs. Such replacement/rectification shall be made as soon as practicable after Customer returns the non-conforming equipment.

If defects occur within the 6 month period, the defect equipment has to be returned to GG. The Customer is obliged to deliver the defect equipment to GG for reparation and shall bear all costs and transportations risks in this regard.

GG assess the need and cost of repairs, the risk of loss of, or damage to the equipment

If GG finds it is necessary to repair on site, all travel related expenses, including maritime costs, air freight costs, vessels and charter costs or freight charges will be separately invoiced.

The Customer shall pay any costs related to such replacement/rectification works where the equipment is placed, including transportation. However, manpower and material shall in the above mentioned 6 months period be paid by GG. After the 6 months warranty period, the Customer shall pay all costs, including manpower and material according to GG's pricelists, connected with any replacement and/or rectifications works, whatever the nature and reason of the defect.

If the Customer has not invoked a defect within 6 months after commencement of the lease agreement the Customer shall forfeit his right to make any claim in respect of the defect. If the delivery is used more intensely than agreed or used more intensely than it could have been assumed at the closing of the Agreement this period shall be reduced proportionally.

GG is not liable for defects caused by mistakenly performed preparatory work performed by the Customer and circumstances occurring after the takeover including defects caused by faulty maintenance on the part of the Customer, faulty repairs performed by Customer, Customers handling of the products, including any handling, craning or lifts of the Tubelock system and normal wear and tear or deterioration.

GG shall have no liability for defects beyond the above. This applies to any loss the defect may cause including loss of profits and any other consequential economic loss. The above limitation in GG's liability shall not apply where GG has been guilty of gross negligence.

EXCEPT FOR THE ABOVE MENTIONED A) GG DOES NOT MAKE, BY VIRTUE OF ANY AGREEMENT OR OTHERWISE, AND HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE USE OF THE TUBELOCK SYSTEM OR ANY OTHER PROJECT

DELIVERABLES, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT, AND B) ALL EQUIPMENT AND OTHER PROJECT DELIVERABLES ARE PROVIDED, BY GG ON AN "AS IS" BASIS.

FOR THE AVOIDANCE OF DOUBT, (A) GG PROVIDES NO WARRANTY WHATSOEVER WITH RESPECT TO ANY THIRD PARTY COMPONENTS IN THE TUBELOCK SYSTEM, AND (B) CUSTOMER, NOT GG, BEARS ALL RISK OF ANY DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE RELATED TO ANY DAMAGE RELATED TO THE USE OF THE TUBELOCK SYSTEM AND (C) CUSTOMER, NOT GG, BEARS ALL RISK OF ANY DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE RELATED TO ANY CLAIM THAT ANY EQUIPMENT, SERVICES OR OTHER PROJECT DELIVERABLES INFRINGE ANY PATENTS, COPYRIGHTS, OR OTHER PROPRIETARY OR INTELLECTUAL PROPERTY RIGHTS.

## 10. TITEL, PATENTS, TRADEMARKS AND INTELLECTUAL PROPERTY

GG retains title, copyrights and other rights in the product, design, services, etc., included in or used in the Tubelock® system. GG's copyright and other rights include any business methods, processes and special functions in the Tubelock® system. Any technology, methodology, or technical information learned or developed by GG will remain its property.

All software, documents, data, calculations and work papers prepared or furnished by GG are instruments of service and will remain GG's property. Designs, reports, data, and other services delivered to or on behalf of the Customer are for the Customers use only for the limited purposes disclosed to GG and subject to the Customer paying for the services to provide said work product. Any delayed use, use at another site, use on another project, or use by a third party will be at the user's sole risk and the Customer agrees to indemnify and defend GG against any liabilities resulting there from.

Any drawings, samples, models and other material provided by either GG or the Customer for the use of the Tubelock® system shall be the property of GG. All Intellectual Property rights contained in, or produced for, the Tubelock® system shall solely belong to GG.

The TubeLock® product is patented in Denmark and under international patent application no. PCT201170036 & PCT201170665. Furthermore the TubeLock® product has an approved trademarks affixed hereto. GG is free from any valid claim for copyright or trademark infringement. The Customer is not in any way entitled to make use of GG's registered trademarks.

The CUSTOMER shall not pledge or encumber the rented equipment in any way.

## 11. TRAINING IN USE

CUSTOMER is offered training for assembly and disassembly of TubeLock® profiles and accessories for rig/shore/service crews operating the product. TubeLock® is delivered with instruction manual and this must be followed. Any questions arisen from the manual must be addressed to GG and cleared before taking the product into use.

GG will not be responsible for the acts or omissions of any others, except for its own employees. GG will not direct or have control over any of Customers employees or property. GG will not have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction, transportation for work site health or safety precautions or programs, or for any failure of the Customer, or others, to comply with contracts, plans, specifications or laws.

The Customer is obliged to inspect and survey any of the services provided by GG.

GG shall not be liable for any defects caused by information, material or training supplied by GG.

## 12. LIMITATION OF LIABILITY REGARDING CUSTOMERS PROPERTY

GG DOES NOT MAKE, BY VIRTUE OF ANY AGREEMENT OR OTHERWISE, AND HEREBY EXPRESSLY DISCLAIMS, ANY LIABILITY OF ANY KIND WITH RESPECT TO ANY SUPERVISION, MONITORING, ANY USE OF THE TUBELOCK SYSTEM, ANY MISSING SPARE PARTS OR WRONGFULL CONTENT OF THE TUBELOCK SYSTEM, ANY USE OF- OR DOWNTIME CAUSED BY THE TUBELOCK SYSTEM, AND ANY

HANDLING, CRANING, TRANSPORTATION AND STORAGING INVOLVING THE USE OF THE TUBELOCK SYSTEM FOR CUSTOMER OR THIRD PARTY'S PROPERTY. .  
FOR THE AVOIDANCE OF DOUBT, (A) GG IS NOT RESPONSIBLE FOR ANY DAMAGE TO CUSTOMERS OR THIRD PARTY'S PROPERTY, AND (B) CUSTOMER, NOT GG, BEARS ALL RISK OF ANY DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE RELATED TO ANY DAMAGE TO CUSTOMERS OR THIRD PARTY'S PROPERTY.  
CUSTOMER SHALL DEFEND, INDEMNIFY AND HOLD GG HARMLESS AGAINST ANY CLAIMS, DEMANDS, CAUSES OF ACTION, JUDGMENTS, PROCEEDINGS, AWARDS, DAMAGES, LOSSES, FINES, PENALTIES, COSTS, EXPENSES AND LIABILITIES, INCLUDING LITIGATION COSTS AND REASONABLE ATTORNEY'S FEES ("CLAIM(S)") ARISING OUT OF DEATH, ILLNESS OR INJURY, OR PROPERTY LOSS OR DAMAGE, OR LOSS, DAMAGE OR COST, AS A RESULT OF OR IN CONNECTION WITH THE CUSTOMERS USE OF THE TUBELOCK SYSTEM.

Customer shall take out All-Risk insurance covering any and all damages and losses including damage, fire and water damage and theft regardless of cause to the rented equipment. for not less than the full replacement value of the Equipment, irrevocably naming GG as loss payee. The insurance shall be in such form and with such company as shall be acceptable to GG. The Customer shall provide proof of such insurance prior to the commencement of the lease agreement.

### 13. GENERAL LIMITATION OF LIABILITY AND INDEMNIFICATIONS

THE CUSTOMER ASSUMES THE ENTIRE RISK AS TO THE USE OF THE TUBELOCK SYSTEM. GG SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT AND ANY WARRANTY IN THIRD PARTY PRODUCTS. ANY WARRANTY FROM GG, WHETHER GRANTED PURSUANT TO THIS AGREEMENT, OR BY LAW, SHALL BE VOID IF THE DELIVERABLE IS MODIFIED AFTER ACCEPTANCE.

Subject to any limitation mentioned above, any and all other contractual liability for GG shall further be limited to DKK 100.000 per incident of contract breach i.e. a series of Serial Defects with the same root cause or any other individual breach of contract.

However and regardless of anything stated contrary hereto in the above or elsewhere in the contract, the maximum, aggregated, cumulative legal contractual liability for GG under this Agreement shall be limited to DKK 500.000 per year for all incidents or liability occurred in the same and in a given calendar year.

The above mentioned limitations shall not apply (i) to any damage or loss caused by intentional, willful misconduct or gross negligence on the part of the liable Party, (ii) to the extent any such limitation is prohibited under any mandatory laws.

All claims for consequential damages, punitive damages and/or losses and/or any indirect damages and/or losses what so ever mentioned as but not limited to loss of production, loss of profit, loss of goodwill, loss of turn over, loss of customers, loss of data, loss of third parties, loss of use of assets, loss of contracts, business interruptions or similar or identical consequential and/or indirect losses and any other indirect losses under this are expressly agreed to be excluded from both parties liability under the agreement.

To the extent GG is imposed to liability in relation to a third party, the Customer shall be obliged to hold GG harmless to the same degree as GG's liability is limited pursuant to these Terms.

THE FOREGOING SHALL NOT LIMIT THE INDEMNIFICATION, DEFENSE AND HOLD HARMLESS OBLIGATIONS SET FORTH IN THIS AGREEMENT.

WITH THE EXCEPTION OF LIABILITY FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT THE CUSTOMER AGREES TO HOLD HARMLESS, INDEMNIFY, AND DEFEND GG AND ITS AFFILIATES AND SUB-CONSULTANTS AND THEIR EMPLOYEES, AGAINST ALL CLAIMS, FINES AND PENALTIES, ATTORNEYS' FEES AND OTHER COSTS OF SETTLEMENT AND DEFENSE, WHICH CLAIMS, SUITS, FINES, PENALTIES OR COSTS ARISE OUT OF OR ARE RELATED TO THE USE OF THE TUBE LOCK SYSTEM.

CUSTOMER SHALL DEFEND, INDEMNIFY AND HOLD GG HARMLESS AGAINST ANY CLAIMS, DEMANDS, CAUSES OF ACTION, JUDGMENTS, PROCEEDINGS, AWARDS, DAMAGES, LOSSES, FINES, PENALTIES, COSTS, EXPENSES AND LIABILITIES, INCLUDING LITIGATION COSTS AND REASONABLE ATTORNEY'S FEES ("CLAIM(S)") ARISING OUT OF DEATH, ILLNESS OR INJURY, OR PROPERTY LOSS OR DAMAGE, OR LOSS, DAMAGE OR COST, AS A RESULT OF OR IN CONNECTION WITH (I) THE NEGLIGENT ACT OR OMISSION OF CUSTOMER OR ANY OF ITS EMPLOYEES UNDER

THE AGREEMENT, (II) CUSTOMER'S (OR ANY OF ITS EMPLOYEES') BREACH OF CUSTOMERS'S OBLIGATIONS UNDER THE AGREEMENT, (III) ANY USE OF THE TUBELOCK SYSTEM, DELIVERIES, OR ANY OTHER GG SERVICES ON OFFSHORE INSTALLATIONS AND VESSELS.

THE CUSTOMER SHALL DEFEND, INDEMNIFY AND HOLD GG HARMLESS AGAINST ANY CLAIMS ARISING OUT OF ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER INTELLECTUAL PROPERTY OR PROPRIETARY RIGHT, OR ANY LITIGATION BASED THEREON, WITH RESPECT TO ANY PRODUCTS AND/OR SERVICES (OR PART THEREOF), OR USE THEREOF, EXCEPT TO THE EXTENT THAT SUCH INFRINGEMENT RESULTS SOLELY FROM THE MANUFACTURE OF THE TUBELOCK SYSTEM.

#### **14. FORCE MAJEURE**

Neither Party can be held responsible for non-fulfilment of agreements, provided the non-fulfilling Party proves that this is caused by force majeure.

The following circumstances shall be considered as Force Majeure if they impede the performance of the agreements or makes performance unreasonably onerous and if they occurs after the offer has been made and which are beyond the control of GG including: industrial disputes (national or local strikes and lockouts), fire, war, rebellions, riots, weather conditions, natural disasters, exchange controls, public seizure, ban on import- and export, interruption of the common communication services including supply of energy, a substantial increase in prices- and/or duties, exchange rate fluctuations, difficulties with production- and delivery, delays from subcontractors which are due to circumstances which GG cannot be blamed and the occurrence of force majeure and/or hardship among relevant subcontractors.

#### **15. PRODUCT LIABILITY**

GG has Product Liability on its own products according to the provisions of the Danish Product Liability law. GG renounces liability for product damages on any other basis. The Product Liability shall be limited to DKK 10.000.000 per year for all incidents or liability occurred in the same and in a given calendar year.

The Customer shall immediately inform GG if a third party claims product liability towards the Customer. To the extent GG will be imposed liability against a third party, the Customer is engaged to compensate GG to the same extent, as GG's liability is limited cf. the above-mentioned article.

GG shall under no circumstances be liable for consequential damages, punitive damages and/or losses and/or any indirect damages and/or losses what so ever mentioned as but not limited to loss of production, loss of profit, loss of goodwill, loss of turn over, loss of customers, loss of data, loss of third parties, loss of use of assets, loss of contracts, business interruptions or similar or identical consequential and/or indirect losses and any other indirect losses.

If GG should be sued by a third party due to product liability the Customer accepts to be joined as a party during the proceedings or as a sued by the Court or Arbitration Tribunal which hear the case.

#### **16. DISPUTES, GOVERNING LAW AND JURISDICTION**

Disputes between the parties which can not be settled amicably shall be settled by the Court of Esbjerg by use of Danish Law. However Danish private international law which refers to foreign law and the International Sale of Goods Act (CISG) shall not be applicable.