

1. Definitions

"Affiliate" means any legal entity which controls, is controlled by, or is under common control with, another legal entity. "Control" and "controlled" means:

- (i) holding beneficially at least fifty per cent (50%) of the issued share capital of such other entity; or
- (ii) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (a) cast, or control the casting of, at least fifty per cent (50%) of the maximum number of votes that might be cast at a general meeting of such other entity; or
 - (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such other entity; or
 - (c) give directions with respect to the operating and financial policies of such other entity with which the directors or other equivalent officers of such entity are obliged to comply.

"Client" means any third party with whom the Company has a contractual obligation to provide work which includes the Work and/or is the end user of such Work.

"Company" means the person, persons, firm or company issuing the Purchase Order to Contractor and shall include their successors in title and permitted assigns.

"Company Group" means the Company and its Client and its and their respective co-venturers, Company's contractors and subcontractors (of any tier), Affiliates, directors, officers and employees (including agency personnel), but shall not include any member of Contractor Group.

"Consequential Loss" means (i) any and all special, indirect, incidental or consequential losses and damages; and (ii) and all loss of use (including without limitation, loss of use or the cost of use of property, equipment, materials and services, including without limitation, those provided by contractors or subcontractors of every tier or by third parties); loss of revenue, loss of production or product, loss of profits, loss of or interruption to business, facilities downtime, wasted overheads, in each case whether direct or indirect to the extent not included in (i), sustained by the indemnifying party in connection with or arising out of this contract and howsoever the same may arise, whether under contract, tort (including negligence of any form such as sole, concurrent, joint, sole, active passive) gross negligence, wilful misconduct, strict liability or otherwise.

"Contract" means the contract entered into between Company and Contractor formed in accordance with Clause 4 below (as may be amended or updated from time to time by way of Variation).

"Contractor" means the Sparrows entity named in the Purchase Order as performing the Work and shall include their successors in title and permitted assigns.

"Contractor Group" means the Contractor, its Sub-contractors (of any tier), its and their Affiliates, its and their respective directors, officers and employees (including agency personnel) but shall not include any member of Company Group.

"General Terms and Conditions" means these General Terms and Conditions of Sale (USA).

"Goods" means any and all goods being purchased by Company from Contractor as part of the Work. For the avoidance of doubt this excludes Hire Equipment.

"Hire Equipment" means any equipment, goods or materials provided by Contractor to Company on a hire basis as part of the Work in accordance with Clause 7.

"Hire Period" means the date of departure from Contractor's designated location until return of the Hire Equipment to Contractor's designated location on such date and times as agreed between the Parties.

"Intellectual Property" means any invention, patent or application for a patent, design (registered or unregistered), trademark (registered or unregistered), name, copyright, circuit layout, design drawing and other technical information (including software), trade secret, know-how, proprietary information or other right in respect of any information, process, work, material or method.

"Party" means each of the Company and the Contractor as appropriate, and **"Parties"** means both the Company and the Contractor.

"Proposal" means any proposal, quotation, tender or similar documentation issued by Contractor to Company in contemplation of or forming part of the performance of the Work.

"Purchase Order" means the body of any purchase order, service order, contract note, form of agreement, letter, work release or other similar document instructing or outlining the Work which incorporate these General Terms and Conditions by reference thereto.

"Replacement Value" means that sum payable to the Contractor in the event of a total loss of the Hire Equipment.

"Sales Tax" means any transfer tax, gross receipts tax, compensating use tax, use taxes, sales tax, value added tax, goods and services taxes, business tax, consumption tax or other similar transactional taxes arising or payable as a result of the performance of the Work.

"Sales Tax Invoice" means an invoice meeting the applicable legal requirements.

"Services" means any and all services to be performed by Contractor for Company as part of the Work.

"Special Condition" means any agreed amendment(s) to these General Terms and Conditions as set out in a Purchase Order or subsequent Variation.

"Sub-contractor" means any party (other than Contractor) to a sub-contract entered into by Contractor for the performance of any part of the Work in accordance with Clause 21.

"Variation" means an instruction or direction from Company or any other circumstance or event which results in an increase, decrease or change to the scope, schedule, specification, design, nature, extent, delivery, quantities or quality of the Work or any change in law, rule or regulation and/or safety requirements which have a direct impact on the Work.

"Work" means all work, including the provision of Goods, Services and/or Hire Equipment, which the Contractor is required to perform for Company under the Contract.

"Worksite" means any place where the Work is to be performed including offshore installations, floating construction equipment, vessels (including the area covered by approved anchor patterns), workshops and places where equipment, materials or supplies are being obtained, stored or used for the purposes of the Contract.

2. General

- 2.1 All documentation relating to the Contract shall be in the English language.
- 2.2 All instructions, notices, agreements, authorisations, approvals and acknowledgements relating to the Contract shall be in writing. Nevertheless, if for any reason Company requires to give instructions to Contractor verbally in the first instance, Contractor shall comply with such instruction. Any such oral instructions shall be confirmed in writing as soon as possible under the circumstances, provided that, if the Contractor confirms in writing any such oral instruction which is not contradicted in writing by Company without undue delay, it shall be deemed to be an instruction in writing by Company. References to writing include fax, email and similar means of communication.
- 2.3 Unless the context otherwise requires, words importing the singular shall include the plural and vice versa.
- 2.4 Any reference to a statute, statutory instrument or statutory provision shall include any re-enactment or amendment thereof for the time being in force.
- 2.5 The words "include(s)" or "including" are to be construed without limitation.
- 2.6 Any headings used in these General Terms and Conditions are for convenience and shall not be used for the purposes of construction or interpretation.

3. Proposals

- 3.1 If Contractor provides a Proposal as part of the Work, that Proposal is based on the requirements specified by Company before or at the commencement of the Work.

- 3.2 Unless otherwise agreed in writing, Proposals provide estimates only and are valid for a period of thirty (30) days from the date of issue.
- 3.3 Contractor has and retains title in and to any and all documentation issued as part of a Proposal and is entitled, at any time prior to written acceptance of the Proposal by Company, to withdraw, reissue and/or request the immediate return of said documentation.
- 3.4 Proposals involving Hire Equipment are made on an "as available" basis, and Lessee acknowledges that such Hire Equipment is not reserved to Lessee until such time as the Contract is finalized in accordance with Clause 4 below.

4. Engagement

- 4.1 Subject to Clause 35, Contract shall automatically terminate on completion of the Work.
- 4.2 Company may engage Contractor to carry out Work based on these General Terms and Conditions by:
 - (i) Issuing a Purchase Order referencing these General Terms and Conditions to Contractor, which Contractor in turn confirms acceptance of (whether in writing or by commencing the Work); or
 - (ii) Issuing written acceptance of a Proposal, which references these General Terms and Conditions, within the thirty (30) day validity period; or
 - (iii) Giving Contractor written, emailed or verbal authorisation to commence Work based on these General Terms and Conditions.

5. Order of Precedence

- In the event of any ambiguity or contradiction between any documents issued or forming part of the Contract, they shall be given priority in the following order:
- (i) Variation
 - (ii) Special Condition
 - (iii) Purchase Order
 - (iv) General Terms and Conditions
 - (v) Proposals, schedules, appendices and other documentation issued in accordance with and forming part of the Contract the later in time taking precedence over the earlier.

6. Quantity, Quality and Description

All Work shall conform to the quantity, quality and description specified in the Contract.

7. Hire Equipment

- 7.1 Where the Work involves the provision of Hire Equipment the provisions of this Clause 7 shall apply and shall take precedence over any other conflicting provision in these General Terms and Conditions:-
 - (i) Title of Hire Equipment shall at all times remain with Contractor Group.
 - (ii) All Hire Equipment will be supplied with the necessary supporting documentation which shall be returned at the end of the Hire Period.
 - (iii) Hire Equipment must be used in strict accordance with the operating manual and instructions provided and within the specifications and capacity/capability it is intended for.
 - (iv) Fuel, oil and grease used shall be of a grade or type specified by the Contractor. When Company provides the same, Company shall be solely responsible for all damages, losses, costs and expenses incurred by the Contractor if the Company supplies the wrong fuel, oil or grease.
 - (v) All repairs to Hire Equipment shall be made with parts approved by Contractor.
 - (vi) Each item of Hire Equipment is provided as a separate unit and the breakdown or the stoppage of one or more items shall not affect the operational status of other items.
 - (vii) If any license, permission, authorization or notice in respect of same is required from any private/public body or government/local authority this shall be the entire responsibility and at the sole cost of the Company.
 - (viii) Company shall at all times allow Contractor or its nominated representatives access to Hire Equipment to inspect, test, adjust, repair or replace same.
 - (ix) Company shall be entirely responsible for the preparation and maintenance of any grounds or structure upon which Hire Equipment will travel over or from which it will operate. Company shall be fully liable to the Contractor for any damage to Hire Equipment caused by ground conditions

and shall indemnify and hold harmless Contractor Group against any liability, expense, loss or damage caused by same.

- (x) If Hire Equipment is involved in any accident resulting in injury to persons or damage to property, immediate notification must be given to Contractor by telephone and confirmed in writing.
- (xi) Hire Equipment or any part thereof must not be re-hired, sub-let or lent to any third party without prior written consent of Contractor.
- (xii) Hire Equipment shall not be moved from the Worksite to which it was delivered or consigned without informing the Contractor as to its new location.
- (xiii) Company shall not remove, deface or cover up the Contractor Group's name plate or mark on Hire Equipment indicating that it is their property.
- (xiv) The daily hire rate shall apply for twenty-four (24) hours a day (or prorate thereof), seven (7) days a week.
- (xv) Company shall be responsible for all expense involved from any breakdown and all loss or damage incurred by Contractor due to Company's negligence, misdirection or misuse of Hire Equipment, whether by Company or a member of its Group, and for the payment of hire at the appropriate rate during the period Hire Equipment is necessarily idle due to such breakdowns, loss or damage. Company is responsible for the cost of spares and/or repairs due to theft, loss or vandalism of Hire Equipment. Contractor will be responsible for the cost of repairs to Hire Equipment involved in breakdowns from all other causes and will bear the cost of providing spare parts.
- (xvi) Notwithstanding any other provision of the Contract, Contractor's sole liability for defective Hire Equipment shall be limited to non-payment of the rates applicable to the defective Hire Equipment for the duration of interruption, commencing from when Contractor is notified in writing of such a defect.
- (xvii) Company agrees that no personnel will be lifted utilizing the Hire Equipment without Contractor's prior written approval, which Contractor may withhold at its absolute discretion.
- (xviii) Company agrees that it shall not allow any liens to attach to Hire Equipment and that it shall furnish, upon request, receipts and releases with respect to Hire Equipment showing that all related costs and expenses have been paid (and thus, that no third party claims, liens, or rights of liens exist against the Company or its property or the Hire Equipment).

7.2 Hire Equipment provided with operator(s)

- (i) Subject to any other provision to the contrary in the Contract, risk of damage to or loss of Hire Equipment shall remain with Contractor during the Hire Period.
- (ii) Contractor shall provide competent, trained and certified operators for Hire Equipment for the duration of the Hire Period who shall be the only persons permitted to operate Hire Equipment without Contractor's prior written consent.
- (iii) Contractor shall be responsible for the maintenance and repair of Hire Equipment during the Hire Period.
- (iv) Contractor's personnel shall be under no obligation to comply with instructions of Company Group or Client which breach any of the provisions of this Clause 7, specifically 7.1(iii).

7.3 Hire Equipment provided without operator(s)

- (i) Subject to any other provision to the contrary in the Contract, risk of damage to or loss of Hire Equipment shall remain with Company during the Hire Period.
- (ii) Company warrants to Contractor that it shall:
 - insure Hire Equipment during the Hire Period for no less than the Replacement Value, and upon request deliver a certificate acceptable to Contractor which demonstrates such coverage; and
 - notify Contractor immediately of any breakdown or unsatisfactory working of any part of Hire Equipment for discussion between the Parties. Any claim for breakdown will only be considered from the time and date of notification; and

- not modify or alter the Hire Equipment without prior written consent of the Contractor; and
 - return Hire Equipment after the Hire Period in the same condition as it was received (less fair wear and tear).
 - (iii) Hire Equipment will be subject to inspection by Contractor at the end of the Hire Period and Contractor shall notify Company of the cost of any repairs which Company is responsible for.
- 8. Delivery**
- 8.1 Contractor shall deliver the Work at such place(s) and time(s) as set out in the Contract.
- 8.2 Subject to the provisions of Clause 8.5 below, delivery dates given by Contractor are deemed to be estimates only and may be subject to change.
- 8.3 Unless otherwise indicated in the Contract, any Goods supplied as part of the Work shall be:
- (i) Delivered Ex-Works (as defined in INCOTERMS 2010) at the Contractor's premises on the delivery date(s) as indicated in the Contract; and
 - (ii) Marked with reference to any applicable Purchase Order or Contract number and other relevant data requested by Company; and
 - (iii) Packed and secured in accordance with the specifications of the Contract.
- 8.4 Where the Work consists of several Goods, each part shall be marked and identified as aforesaid, showing also the total number of parts being supplied as part of the Work.
- 8.5 Notwithstanding anything to the contrary, Contractor shall have no liability whatsoever to Company for any delay in performing and/or completing the Work, and Company shall have no right to damages, special, liquidated or otherwise, arising directly or indirectly from such delay.
- 9. Inspection and Testing**
- Company and its representatives shall, upon giving reasonable notice and at their cost, be entitled to access any premises (including those of Sub-contractors) to inspect and test the Work prior to acceptance or delivery, whichever is later.
- 10. Transportation**
- Where any Work is required to be performed offshore, Company shall provide, at no extra cost to Contractor, all routine and medi-vac transportation for Contractor provided personnel, and transportation for Contractor provided equipment and/or material, including Hire Equipment, which are capable of transportation by helicopter or supply boat between Company designated heliport and/or supply base and the offshore part of the Worksite.
- 11. Title, Risk and Liens**
- 11.1 Subject to the provisions of Clause 7 above, risk of damage to or loss of the Work, including for the purpose of the mutual indemnifications and liabilities provided for herein, shall pass to Company upon delivery.
- 11.2 Title in the Work and/or title in the materials to be used in the manufacture of the Work (unless already property of the Company) shall pass to the Company only upon the Company's payment for such Work and/or materials to be used in the manufacture of such Work in proportion to the total or partial payments made.
- 11.3 All items to be incorporated into the Work or related to the Work and where title has passed to the Company shall be clearly marked as the Company's property and stored separately.
- 11.4 Contractor agrees that it shall not allow any liens to attach to the Work or any property of the Company and that it shall furnish, upon request, receipts and releases with respect to the Work showing that all related costs and expenses have been paid (and thus, that no third party claims, liens, or rights of liens exist against the Company or its property or the Work).
- 11.5 Notwithstanding the foregoing, the Parties expressly agree that the Contractor shall have a general lien on all goods and property of the Company in the possession of the Contractor in respect of all sums due from the Company to the Contractor but unpaid.
- 12. Price and Payment**
- 12.1 In consideration of the satisfactory performance and completion of the Work, Company shall pay or cause to be paid to Contractor the amounts provided for in the Contract at the times and in the manner specified in the Contract.
- 12.2 All prices quoted are exclusive of Sales Tax and, unless otherwise stated in the Contract, are deemed to be in US Dollars (USD).
- 12.3 Within thirty (30) days after receipt by Company of Contractor's correctly prepared and adequately supported Sales Tax Invoice, Company shall effect payment of the invoice to a bank account nominated by Contractor. If Company fails to pay any sums due to Contractor when due then, in addition to any other right Contractor may have under contract or at law, Contractor may:
- (i) Charge interest on overdue sums at a rate of eight percent (8%) per annum above the Wall Street Journal Prime Rate from the due date until payment (calculated annually but accruing on a daily basis); and/or
 - (ii) Delay or suspend on full operational rates or cancel any remaining part of the Contract (or any other contract) with Company in accordance with Clause 24.2; and/or
 - (iii) Vary or withdraw any discount or credit offered to Company.
- 12.4 If before delivery Contractor has reasonable grounds to believe that Company will not be able to fulfill its payment obligations, Contractor shall have the right to demand from Company security for payment. From the date of demand for security until the date of satisfactory provision of same, Contractor shall be under no obligation to do any act or thing to implement any part of the Contract. If security acceptable to Contractor is not offered, within such reasonable period as may be specified by Contractor, Contractor may terminate the Contract without further liability to Company on its part and Company shall be liable to Contractor in respect of any and all direct and documented costs incurred by Contractor as a consequence of such termination.
- 13. Variations**
- 13.1 All Variations must be agreed in writing in accordance with Clause 2.2 above.
- 13.2 The Parties shall use their best endeavours to agree to the existence and effects of a Variation prior to the commencement of any Work affected by that Variation, including the impact, if any, on the Contract price and/or delivery date(s).
- 13.3 If at any time the Parties do not agree as to the existence and/or effects of a Variation, such dispute shall be resolved in accordance with the Dispute Resolution Procedure set out in Clause 25 below.
- 14. Liability and Indemnity**
- 14.1 CONTRACTOR SHALL BE RESPONSIBLE FOR AND SHALL SAVE, INDEMNIFY, DEFEND AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST ALL CLAIMS, LOSSES, DAMAGES, COSTS (INCLUDING LEGAL COSTS) EXPENSES AND LIABILITIES IN RESPECT OF:**
- (i) LOSS OF OR DAMAGE TO PROPERTY OF CONTRACTOR GROUP WHETHER OWNED, HIRED OR LEASED (SUBJECT TO THE PROVISIONS OF CLAUSE 7 ABOVE) OR OTHERWISE PROVIDED BY CONTRACTOR GROUP ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT; AND
 - (ii) PERSONAL INJURY INCLUDING DEATH OR DISEASE TO ANY PERSON EMPLOYED OR ENGAGED ON BEHALF OF CONTRACTOR GROUP ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT; AND
 - (iii) SUBJECT TO ANY OTHER EXPRESS PROVISIONS OF THE CONTRACT, PERSONAL INJURY INCLUDING DEATH OR DISEASE OR LOSS OF OR DAMAGE TO THE PROPERTY OF ANY THIRD PARTY TO THE EXTENT THAT ANY SUCH INJURY, LOSS OR DAMAGE IS CAUSED BY THE NEGLIGENCE OR BREACH OF DUTY (WHETHER STATUTORY OR OTHERWISE) OF CONTRACTOR GROUP; AND
 - (iv) POLLUTION OCCURRING ON THE PREMISES OF CONTRACTOR GROUP OR ORIGINATING FROM THE PROPERTY AND EQUIPMENT OF CONTRACTOR GROUP ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT.
- 14.2 COMPANY SHALL BE RESPONSIBLE FOR AND SHALL SAVE, INDEMNIFY, DEFEND AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ALL CLAIMS, ISSUES, DAMAGES, COSTS (INCLUDING LEGAL COSTS) EXPENSES AND LIABILITIES IN RESPECT OF:**

- (i) LOSS OF OR DAMAGE TO PROPERTY OF COMPANY GROUP WHETHER OWNED BY COMPANY GROUP OR LEASED OR OTHERWISE PROVIDED BY COMPANY GROUP WHICH IS LOCATED AT A WORKSITE ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT; AND
 - (ii) PERSONAL INJURY INCLUDING DEATH OR DISEASE TO ANY PERSON EMPLOYED BY OR ENGAGED BY COMPANY GROUP ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT; AND
 - (iii) SUBJECT TO ANY OTHER EXPRESS PROVISIONS OF THE CONTRACT, PERSONAL INJURY INCLUDING DEATH OR DISEASE OR LOSS OF OR DAMAGE TO THE PROPERTY OF ANY THIRD PARTY TO THE EXTENT THAT ANY SUCH INJURY, LOSS OR DAMAGE IS CAUSED BY THE NEGLIGENCE OR BREACH OF DUTY (WHETHER STATUTORY OR OTHERWISE) OF COMPANY GROUP; AND
 - (iv) ANY LOSS OF OR DAMAGE TO PROPERTY OF ANY THIRD PARTY OWNER OF OFFSHORE FACILITIES, PIPELINES, CABLES OR SIMILAR EQUIPMENT AND ANY CONSEQUENTIAL LOSS ARISING THEREFROM LOCATED WITHIN A FIVE HUNDRED (500) METER RADIUS OF ANY OFFSHORE WORKSITE WHERE SUCH LOSS OR DAMAGE IS ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT; AND
 - (v) WITH THE EXCEPTION OF THE ABOVE INDEMNITY GIVEN BY CONTRACTOR AT CLAUSE 14.1(IV), ANY CLAIM OF WHATSOEVER NATURE RELATING TO POLLUTION AND/OR CONTAMINATION INCLUDING WITHOUT LIMITATION SUCH POLLUTION OR CONTAMINATION EMANATING FROM THE RESERVOIR AND/OR FROM ANY EQUIPMENT OR PROPERTY OF COMPANY GROUP ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT.
- 14.3 For the purposes of this Clause 14, "third party" shall mean any party which is not a member of Company Group or Contractor Group.
- 14.4 The indemnities given by the Parties under this Clause 14 are full and primary and shall apply irrespective of whether the indemnified Party has or does not have insurance in place relating to any claims, losses, damage or costs in respect of the subject matter of any indemnity given under this Contract.
- 14.5 ALL EXCLUSIONS AND INDEMNITIES GIVEN UNDER THIS CLAUSE (SAVE FOR THOSE UNDER CLAUSES 14.1(iii) AND 14.2(iii)) AND CLAUSES 15 and 16 SHALL APPLY IRRESPECTIVE OF CAUSE AND NOTWITHSTANDING THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT) OR BREACH OF DUTY (WHETHER STATUTORY OR OTHERWISE) OF THE INDEMNIFIED PARTY OR ANY OTHER ENTITY OR PARTY AND SHALL APPLY IRRESPECTIVE OF ANY CLAIM IN TORT, UNDER CONTRACT OR OTHERWISE AT LAW.**
- 14.6 Each Party expressly agrees that the indemnities set out in this Clause 14 do not extend to criminal sanctions imposed upon it, arising from, relating to or in connection with the performance of the Contract.
- 15. Consequential Loss**
NOTWITHSTANDING ANY OTHER PROVISION OF THE CONTRACT TO THE CONTRARY AND EXCEPT TO THE EXTENT OF ANY AGREED LIQUIDATED DAMAGES UNDER CLAUSE 8.5 (INCLUDING WITHOUT LIMITATION ANY PREDETERMINED TERMINATION FEE), COMPANY SHALL SAVE, INDEMNIFY, DEFEND AND HOLD HARMLESS CONTRACTOR GROUP FROM COMPANY GROUP'S OWN CONSEQUENTIAL LOSS AND CONTRACTOR SHALL SAVE, INDEMNIFY, DEFEND AND HOLD HARMLESS COMPANY GROUP FROM CONTRACTOR GROUP'S OWN CONSEQUENTIAL LOSS ARISING FROM, RELATING TO OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THE CONTRACT.
- 16. Limitation of Liability**
NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY IN THE CONTRACT AND REGARDLESS OF CAUSE, CONTRACTOR'S TOTAL CUMULATIVE LIABILITY ARISING UNDER OR IN CONNECTION WITH THE CONTRACT SHALL BE LIMITED TO ONE HUNDRED PERCENT (100%) OF THE CONTRACT PRICE OR ANNUAL CONTRACT VALUE, WHICHEVER IS LOWER. COMPANY AGREES TO INDEMNIFY, RELEASE AND HOLD CONTRACTOR GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS IN EXCESS OF THE TOTAL CUMULATIVE LIABILITY UNDER THIS CONTRACT.
- 17. Warranty**
- 17.1 Contractor warrants to Company that the Work shall:
- (i) Be performed by appropriately qualified and trained personnel, with due care and diligence; and
 - (ii) Be of sound materials and workmanship, in accordance with the requirements set out in the Contract and the normal usage of such Work; and
 - (iii) Be free from defects in material and workmanship; and
 - (iv) Correspond with all specifications, drawings or samples if any referred to in the Contract.
- 17.2 If the Work is not supplied or performed in accordance with the Contract, Company shall immediately give notice to Contractor of such failure in writing and shall be entitled, within the below noted warranty periods, to request Contractor to promptly repair, replace or re-perform the Work in order to meet the requirements of the Contract.
- 17.3 The warranty periods for the Work are as follows:
- (i) New Goods: twelve (12) months from delivery in accordance with Clause 8 above.
 - (ii) Refurbished Goods: ninety (90) days from delivery in accordance with Clause 8 above.
 - (iii) Services: ninety (90) days from completion of the relevant Services.
 - (iv) Hire Equipment: see Clause 7.
- 17.4 Subject to Clause 7 above and Clause 17.5 below, Contractor's liability in respect of this Clause 17 shall be limited to replacing, repairing or re-performing the defective Work. If corrective work must be carried out, or products delivered at a place other than the place where the Work was originally performed or Goods were originally delivered, all additional costs and expenses resulting therefrom shall be paid by the Company.
- 17.5 Should Contractor fail or refuse to repair, replace or re-perform the Work in accordance with Clause 17.2 above, within a reasonable period, Company shall be entitled to effect the repair or obtain replacement Work itself or by means of others at the Contractor's cost. Contractor's liability in respect of such costs shall be limited to one hundred and twenty five percent (125%) of the price Contractor would have charged to repair, replace or re-perform the defective Work.
- 17.6 Replacements, repairs and corrective work shall not extend the warranty but shall be warranted for the warranty term remaining at the time of the replacement, repair or corrective work.
- 17.7 Contractor shall not be liable for any defects which arise due to unsuitable or improper use, faulty assembly and/or operational set-up of the Work by the Company or any third party or as a result of natural wear or defective or careless handling or unsuitable operation or repair work carried out by or on behalf of the Company or faulty building work or chemical, electromechanical, or electrical influences in so far as they are not traceable to the fault of the Contractor. Failure to follow the maintenance schedule and/or any other instructions or documentation provided with the Work shall void this warranty.
- 17.8 In respect of components and goods which have not been manufactured by the Contractor, this warranty shall not apply; instead Company shall benefit from the warranty offered by the original manufacturer or selected supplier.
- 17.9 The undertakings in this Clause are in lieu of any other warranty whether expressed or implied, including any implied warranties of merchantability, fitness for purpose, or workmanlike performance; or any warranty in tort, law or otherwise.
- 18. Insurance**
 Company and Contractor shall, at their own cost, obtain and maintain, in full force and effect throughout the duration of the Contract, levels of insurance sufficient to cover their respective liabilities, indemnities and obligations under the Contract and at law.
- 19. Force Majeure**
- 19.1 Neither Party shall be considered in breach of its obligations under the Contract for reasons of Force Majeure. For the purposes of this Contract only the following occurrences shall be considered "Force Majeure":
- (i) Riot, war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power; and

- (ii) Ionizing radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or radio-active, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; and
 - (iii) Pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds; and
 - (iv) Earthquake, flood, fire, epidemics, explosion and/or other natural physical disaster, including severe weather conditions; and
 - (v) Strikes at a national or regional level or industrial disputes at a national or regional level, or strikes or industrial disputes by labour not employed by the affected party its subcontractors or its suppliers and which affect a substantial or essential portion of the Work; and
 - (vi) Maritime or aviation disasters; and
 - (vii) Changes to any general or local statute, ordinance, decree, or other law, or any regulation or by-law of any local or other duly constituted authority or the introduction of any such statute, ordinance, decree, law, regulation or by-law.
- 19.2 Force Majeure shall not include economic or market conditions affecting the Parties, or failure to obtain credit by a Party.
- 19.3 Announcement and documentation of a Force Majeure situation must be provided to the other Party without undue delay.
- 19.4 The occurrence of a Force Majeure event shall not excuse the Company from making any payments due to Contractor for Work satisfactorily completed prior to the event of Force Majeure and/or agreed standby time/rates and/or any demobilisation costs incurred as a result of the said event of Force Majeure.
- 19.5 Should the Force Majeure event continue for longer than seven (7) days, the Parties shall meet to discuss the impact on and future performance of the Contract.

20. Audit and Storage of Documents

- 20.1 Contractor and its Sub-contractors shall keep full and accurate records pertaining to the Work and shall retain such records for a period of two (2) years from completion of each individual piece of the Work performed under the Contract or such longer period as is specifically required by law.
- 20.2 Company shall be entitled, at its cost and on giving reasonable notice, to audit the documentation within the period noted in Clause 20.1 above.
- 20.3 Notwithstanding the generality of the foregoing, Company shall not be entitled to investigate the make-up of rates and lump sums included in the Contract and Contractor shall not be obliged to disclose any information to Company which is commercially sensitive and/or would cause Contractor to breach any confidentiality obligations it owes to a third party.
- 20.4 Both Parties shall be entitled to audit the other Party at any time to ensure compliance with Clause 26.

21. Assignment, Novation and Subcontracting

- 21.1 Contractor shall not assign, novate or subcontract any or all of its rights and/or obligations under the Contract without the prior written consent of Company, which shall not unreasonably be withheld or delayed. Notwithstanding the generality of the foregoing, Contractor shall be entitled to sub-contract parts of the Work to its Affiliates in its normal course of business without having to obtain prior written consent.
- 21.2 Contractor shall be fully responsible for the work, acts, omissions, defaults and neglects of any Sub-contractors as if they were work, acts, omissions, defaults or neglects of the Contractor.
- 21.3 Company shall be entitled to assign and/or novate any or all of its rights and/or obligations under the Contract to its Affiliates. In addition, Company may make such assignment and/or novation to any other third party, but only with the prior written consent of Contractor, which shall not unreasonably be withheld or delayed.

22. Intellectual Property

- 22.1 Neither Party shall have the right to use, other than for the purposes of the Contract, whether directly or indirectly, the other's Intellectual Property and the intellectual property rights in such Intellectual Property shall at all times remain with the Party providing such Intellectual Property.
- 22.2 For the avoidance of doubt, all design drawings and other technical information provided by Contractor relating to the Work, including training materials and/or software provided solely by the Contractor under the Contract, and any Intellectual Property created or acquired solely by the Contractor prior to or during the Work, shall be and remain the property of Contractor.

- 22.3 Subject to the restrictions set out in Clause 22.4 below, to the extent required and so far as it is permitted by law, Contractor grants Company and Client an irrevocable, world-wide, perpetual, royalty-free, non-exclusive, non-transferable licence to use and reproduce its Intellectual Property to the extent necessary for the performance and/or utilisation of the Work.

22.4 Company and Client must not without Contractor's prior written consent:

- (i) Use Contractor's Intellectual Property for any purpose other than the purpose for which it has been provided; and/or
- (ii) Modify, adapt, reverse engineer, disassemble or decompile, distribute, lend, resell, transfer, assign, sublicense, create derivative works or allow any other person to use Contractor's Intellectual Property; and/or
- (iii) Remove or attempt to remove any proprietary or copyright notices or any labels identifying Contractor's Intellectual Property provided as part of the Work.

23. Confidentiality

Each Party shall protect from disclosure information of the other Party to which it receives access under the Contract which is marked as "Confidential" or which is confidential in nature (including pricing and trade secrets) and shall not disclose same to any third party without the prior written consent of the other Party.

24. Termination

- 24.1 Company shall be entitled, by giving notice to Contractor, to terminate the Contract in whole or in part at any time prior to full delivery, acceptance and/or completion of the Work. Upon receipt of such notice, Contractor shall immediately cease performance of its obligations to the extent instructed in the notice and shall take all reasonable steps to mitigate liabilities arising from the termination.
- 24.2 If Company terminates the Contract out of convenience, Contractor shall be entitled to receive:
- (i) Payment in full for all Work performed up to the date of termination; and
 - (ii) Reimbursement of all documented, direct and reasonable charges incurred by Contractor prior to and/or incurred as a direct result of the termination (including cancellation charges if any agreed between Company and Contractor or applicable under Contractor's sub-contracts); and
 - (iii) Any and all stand-by rates and/or demobilisation costs where applicable.
- 24.3 If Company terminates the Contract due to Contractor's default, Company shall only be liable to Contractor for payment of Work satisfactorily performed up to the date of termination together with any demobilisation costs where applicable.
- 24.4 If Company defaults or commits a breach of the Contract or if any solvency concerns of Company arise, Contractor shall have the right forthwith to terminate the Contract without prejudice to any other claim or right Contractor may otherwise have under contract or at law and Contractor shall be paid in accordance with Clause 24.2.

25. Governing Law and Dispute Resolution

- 25.1 The formation, existence, construction, performance, validity and all other aspects of the Contract shall be governed by Texas law (excluding its choice of laws principles) and the Parties submit to the exclusive jurisdiction of any court of competent jurisdiction in Harris County, Texas.
- 25.2 The Parties shall endeavour to settle by negotiation any dispute arising out of or in connection with the Contract. Any dispute shall be duly notified by the claiming Party to the other Party and the Parties shall endeavour to settle such dispute in good faith within thirty (30) days from receipt of said notice between their respective representatives.
- 25.3 In case of failure to settle the dispute in accordance with Clause 25.2 above, the dispute shall then be passed to the respective managing directors of the Parties to resolve within a further thirty (30) day period.
- 25.4 If the Parties fail to reach agreement in accordance with Clauses 25.2 and 25.3 above, either Party shall then be entitled to submit the dispute to the courts. It shall be a condition precedent to the referral of a dispute to the courts that the Party which intends to commence proceedings first uses the procedures outlined in Clauses 25.2 and 25.3 above.

26. Anti-Bribery and Corruption

- 26.1 Both Parties shall uphold the highest standards of business ethics in the performance of the Contract and warrants that it shall have in place and maintain for the duration of the Contract adequate anti-bribery and

- corruption policies and procedures of which the other Party in turn warrants it shall comply.
- 26.2 In the event of a breach of Clause 26.1 above and/or any applicable anti-bribery legislation to which either Party is subject, including the UK Bribery Act 2010 and US Foreign Corrupt Practices Act of 1977, the non-defaulting Party shall be entitled to suspend and/or terminate the Contract in whole or in part with immediate effect. The Parties shall meet within seven (7) days of such suspension or termination to agree the effects of such suspension or termination.
- 26.3 A copy of Contractor's current anti-bribery and corruption policy can be located at www.sparrowsgroup.com.

27. Legal and Safety Obligations

Both Parties shall comply with all applicable laws in the performance of the Work and shall comply with any and all applicable safety rules, regulations or procedures applicable to the Work.

28. Data Protection

- 28.1 Each Party may in the course of performance of the Contract provide each other with Personal Data (which is defined in the General Data Protection Regulation (Regulation (EU) 2016/679 ("GDPR")). Any processing of Personal Data will be done in accordance with the terms of this Contract and GDPR.
- 28.2 Each Party will implement appropriate technical and organisational measures to protect Personal Data against unauthorized or unlawful processing and accidental loss or destruction.
- 28.3 Prior to any transfer of Personal Data by a Party to their respective Group, that Party will impose all obligations on their Group as required by the Contract and GDPR.
- 28.4 Any person acting under the authority of Contractor or Company must not process the data except on instructions from Contractor or Company (as applicable).
- 28.5 Where a Party consents to the other Party transferring its Personal Data to any country outside the European Economic Area, the transferring Party will ensure an adequate level of protection for Personal Data by either entering into standard contractual clauses approved by the European Commission or binding corporate rules.

29. Contracts (Rights of Third Parties) Act

With the exception of the provisions contained within Clauses 14, 15, 16, 17 and 22, the Parties intend that no provision of the Contract shall, by virtue of the Contracts (Rights of Third Parties) Act 1999, confer any benefit on nor be enforceable by any person who is not a Party to the Contract. For the purposes of this Clause 28, "third party" shall mean any member of the Company Group (other than the Company) or Contractor Group (other than the Contractor).

30. Non-Solicitation

- 30.1 During the term of the Contract and for a period of twelve (12) months thereafter, the Company agrees not to solicit, recruit or induce, directly or indirectly through third parties, any of the Contractor's employees, consultants or representatives involved in the performance of the Contract to leave, terminate or otherwise end his/her association with the Contractor in order to become an employee, consultant or representative of the Company.
- 30.2 In the event of a breach of Clause 29.1 above, Contractor shall, in addition to any other rights or remedies available to it under Contract or at law, be entitled to claim from Company a sum equivalent to the annual salary of each affected employee, consultant or representative as compensation for such breach.

31. Notices

- 31.1 All formal notices in respect of the Contract shall be given in writing and delivered by hand, by fax or by first class post to the relevant address specified in the Contract for notices or where no such address is specified the addresses set out in the Purchase Order.
- 31.2 Such notices shall be effective:
- (i) If delivered by hand at the time of delivery; or
 - (ii) If sent by fax, on the first working day at the recipient address following the date of sending; or
 - (iii) If sent by first class post, forty-eight (48) hours after the time of posting.
- 31.3 Subject to any specific administrative instructions agreed between the Parties, any standard business correspondence associated with the Contract or the Work can be made by either email or letter.

32. Waiver

None of the terms and conditions of the Contract shall be considered to be waived by either Party unless a waiver is given in writing by one Party to the other. No failure on the part of either Party to enforce any of the terms and conditions of the Contract shall constitute a waiver of such terms.

33. Invalidity and Severability

If any court or competent authority decides that any of the provisions of the Contract are invalid, unlawful or unenforceable to any extent, the invalidity or unenforceability shall not affect the other provisions of this Contract and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. The Parties agree to substitute, for any invalid or unenforceable provision, a valid or enforceable provision which achieves to the greatest possible extent, the economic, legal and commercial objectives of the invalid or unenforceable provision.

34. Entire Agreement

The Contract constitutes the entire agreement between the Parties hereto with respect to the Work and supersedes all prior negotiations, representations or agreements relating to the Contract either written or oral.

35. Continuing Obligations

Termination of the Contract and/or Company's acceptance of Work, or any part thereof, shall not release the Parties from obligations, which expressly or by their nature survive the Contract or extend beyond Contract termination and any acceptance of the Work.

36. Change of Law

In the event of any change in taxation or any other laws or in the interpretation or enforcement thereof after the commencement of the Contract and provided either Party acting reasonably can demonstrate that such change has an effect on Contractor's costs or financial burden, then the rates and prices set out in the Contract shall be adjusted to fully reflect the increases or decreases on Contractor's costs or burdens as the case may be.