

**VENDOR SHALL SELL AND BUYER SHALL PURCHASE THE GOODS ("Goods") DESCRIBED IN THIS PURCHASE ORDER ("Order") UNDER THE FOLLOWING TERMS AND CONDITIONS:**

**1. CHOICE OF LAW AND INTERPRETATION**

The Order shall be considered a contract made in The Netherlands and shall be governed, interpreted and enforced in accordance with The Netherlands' law applicable to such contracts including in respect of requirements of form. Accordingly, Buyer and Vendor expressly exclude the application of The Hague Conventions of 1964 (The Uniform Law on International Sale of Goods and the Uniform Law on the Formation of Contracts for the International Sale of Goods) and the related Netherlands' statutes of 15 September 1971, S.780 and S.781, as modified from time to time. Neither custom nor usage of trade shall be considered in interpreting this Order.

**2. NATURE OF AGREEMENT**

- (a) This Order shall be considered accepted upon Buyer's receipt of the Acceptance Copy signed by Vendor. However, commencement of performance by Vendor based on this Order, if known to Buyer, shall also constitute acceptance of this Order without reservation, whether or not Vendor has signed and returned the Acceptance Copy. Any additions, limitations, or other modifications to this Order set forth in Vendor's quotation, acceptance or otherwise shall be of no force or effect unless set forth in this Order.
- (b) Any technical data, specifications, standards, drawings, designs and the like attached to, referenced in, or later incorporated into this Order by a Change Order as provided in Paragraph 3 ("Buyer's Data") form a part of this Order.
- (c) This Order contains all the terms and conditions applicable to this purchase and it supersedes any prior correspondence, proposals or agreements, written or oral, not set forth in this Order.
- (d) If any provision of this Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
- (e) No waiver of a right by either party shall be effective unless made expressly and in writing by such party.
- (f) This Order shall not be assigned or subcontracted more than fifteen percent (15%) by value by Vendor without Buyer's prior written consent.
- (g) The rights of Buyer and Vendor herein are not exclusive and shall not limit either party's right to avail itself of any other remedy provided by law or equity.

**3. CHANGES**

At any time, Buyer may make a change within the general scope of this Order by written notice. Vendor shall proceed with this Order as changed. Changes may include changes in the technical aspects of the Goods, method of shipment or packing, inspection standards and place of delivery. If a change affects the purchase price or delivery date, Buyer and Vendor shall mutually agree upon an equitable adjustment in the same. The change, and any such adjustments, shall be set forth in a written Change Order issued by Buyer and signed by Vendor.

Unless otherwise agreed in writing, any claim by Vendor for adjustment in the purchase price or delivery date must be received by Buyer, in writing, within thirty (30) days following receipt by Vendor of any direction from Buyer which Vendor believes constitutes a change. Vendor shall make available, for examination by Buyer, relevant books and records supporting Vendor's request for adjustment.

**4. BUYER'S REMEDIES: WARRANTY AND REJECTION**

Vendor warrants that:

- (a) Upon delivery to Buyer, Vendor shall convey clear title to the Goods free of any lien, encumbrance or security interest.
- (b) The Goods shall conform to Buyer's Data, shall be new and unused, of high quality and workmanship within generally recognized industry standards and shall be fit for the purpose or use for which they are bought to the extent such purpose or use is known or reasonably should be known to Vendor.
- (c) If the Goods are sold by sample, they shall conform to the sample.

If the Goods are found not to conform to the foregoing warranties at any time within eighteen (18) months following delivery to the port of export or twelve (12) months from commencement of use in Saudi Arabia, whichever is earlier, then at Buyer's request Vendor shall promptly repair or replace any non-conforming Goods at no cost to Buyer. Should Vendor fail to repair or replace non-conforming Goods, Buyer may repair or replace such Goods either itself or through others and charge the cost thereof to Vendor. In any case, Vendor shall be responsible for any additional costs incurred by Buyer in identifying, removing and/or replacing non-conforming Goods, including, without limitation, the costs of any additional inspection, customs duties and transportation costs.

If portions of the Goods are found not to conform to the foregoing warranties at any time within eighteen (18) months following delivery to the port of export or twelve (12) months from commencement of use in Saudi Arabia, whichever is earlier, then Buyer may in accordance with Paragraph 3 notify Vendor to perform or arrange to perform additional testing and inspection on the remainder of the Goods. In such case, Vendor shall be entitled to no additional compensation for such testing and inspection if the remainder of the goods are also found not to conform to the foregoing warranties.

**5. PROTECTION AGAINST CERTAIN LOSSES**

Vendor shall not be liable to Buyer for loss of profits, crude oil or products derived therefrom due to any cause whatsoever.

**6. INSPECTION**

Buyer shall have the right to inspect the Goods, test or witness Vendor's tests of the Goods, and otherwise review Vendor's performance prior to delivery and acceptance of the Goods. Buyer shall exercise such right at reasonable times and in a manner which does not unreasonably interfere with Vendor's operations. Buyer's exercise of such right (including any approval of Vendor's drawings or approval of the Goods for shipment) or waiver of the same shall not relieve Vendor of any of its obligations under the Order nor constitute acceptance of the Goods.

**7. PACKING AND DELIVERY**

If the Goods are not packed and marked in accordance with Buyer's packing specifications and marking instructions and must be repacked or remarked, the cost shall be borne by Vendor. Goods supplied against a single line item which consist of more than one component may be assembled or individually packed, but all components shall be delivered at the same time.

All shipments and deliveries shall be strictly in accordance with the requirements of this Order. Vendor shall promptly notify Buyer, in writing, of any anticipated or actual delay, the reasons for the delay, and the actions being taken by the Vendor to overcome or minimize the delay. Such notification shall in no way relieve Vendor of its obligations under this Order.

**8. TITLE AND RISK OF LOSS**

Except as provided in Paragraph 9, risk of loss and title to the Goods shall pass to Buyer when delivered at the Delivery Point.

**9. RISK OF LOSS FROM NON-IMPORTABILITY**

Buyer and Vendor agree that Vendor shall reimburse Buyer for any loss (not to exceed the purchase price of the Goods plus cost of transportation, including ocean or air freight to Saudi Arabia) Buyer may sustain in the event that the Goods delivered or to be delivered hereunder are not permitted by Saudi Arab Customs or other governmental authorities to be imported into Saudi Arabia in consequence of its laws or administrative practices. The foregoing clause was adopted as a part of Buyer's Conditions of Purchase prior to January 18, 1978.

**10. SUSPENSION OR CANCELLATION FOR BUYER'S CONVENIENCE**

Buyer may suspend performance of all or any part of this Order for its convenience by giving Vendor written notice specifying the part to be suspended and the effective date of such suspension. Vendor shall suspend all activity on the suspended part of this Order on the effective date of suspension and take all action necessary to preserve and protect materials, work in progress, completed Goods and related plans and drawings. Buyer shall reimburse Vendor, subject to audit, unavoidable costs incurred as a direct result of such suspension (including costs incurred in preserving and protecting materials, work in progress, completed Goods and related plans and drawings), as well as any such costs of reassembling personnel and equipment when performance is resumed.

Buyer may cancel all or any part of this Order for its convenience by giving Vendor written notice of such cancellation. Vendor shall cease all activity on the cancelled part of this Order on the effective date of cancellation and take all action necessary to preserve and protect materials, work in progress, completed Goods and related plans and drawings. Buyer shall pay Vendor, subject to audit, unavoidable costs incurred as a direct result of such cancellation (including reasonable cancellation charges actually paid by Vendor to its sub-suppliers and reasonable costs incurred in preserving and protecting materials, work in progress, completed Goods and related plans and drawings) plus a reasonable allowance for profit on work performed to the date of cancellation.

**10. (Continued)**

However, in no event shall the amounts payable to the Vendor for cancellation under this paragraph exceed the total purchase price of this Order less payments otherwise made to and amounts otherwise realized by Vendor through the sale, transfer or other disposition or use of materials related to the cancelled part of this Order and as further reduced by the purchase price of any part of this Order not cancelled.

**11. CANCELLATION FOR CAUSE**

If Vendor commits any substantial breach of this Order, including any fault or neglect on Vendor's part to file and diligently attempt to obtain any license required to export the Goods by the country of origin of the Goods, or Vendor becomes bankrupt, insolvent or unable to meet its financial obligations, Buyer may cancel this Order without liability to Vendor.

**12. EXPORT LICENSE**

Vendor shall apply for and obtain any license required to export the Goods from the country of origin. Notwithstanding Paragraph 13, Buyer shall have the right to immediately cancel this Order without liability to Vendor if the export license application is disapproved or unreasonably delayed in Buyer's sole judgement.

**13. FORCE MAJEURE**

"Force Majeure" shall mean any act, event, cause or occurrence which is not within the reasonable control of Buyer, Vendor or any of Vendor's suppliers and which renders either party unable to perform its obligations. If a party is unable to perform any of its obligations as a result of force majeure, performance of such obligations shall be excused during the period of force majeure. Such party shall immediately give written notice to the other party of the date of inception of the force majeure condition and the extent to which it will affect performance. After a period of force majeure, Buyer and Vendor may execute a Change Order reflecting a mutually agreeable adjustment in the delivery date. After thirty (30) cumulative days of force majeure affecting Vendor's performance, Buyer may cancel this Order in whole or in part, and Buyer shall have no liability to Vendor for costs or damages arising out of such cancellation.

**14. TERMS OF PAYMENT**

Buyer shall pay Vendor within thirty (30) days after delivery of the Goods and receipt of Vendor's invoice and Certificate of Origin in the form required by this Order. Any agreed cash discount period offered by Vendor shall begin at the same time. Buyer shall pay Vendor in the currency of Vendor's country unless a different currency is specified in this Order. Payment is subject to applicable exchange control regulations.

**15. RIGHT OF OFFSET**

Upon written notice, any sum payable to Vendor by Buyer under this Order may be set off by Buyer against any sum payable to Buyer by Vendor under this Order or any such other agreements between Buyer and Vendor.

**16. SAUDI ARAMCO AS BENEFICIARY**

Vendor understands that Buyer is contracting with Vendor for the purchase of Goods for ultimate sale to and use by Saudi Aramco in Saudi Arabia. Vendor agrees that all rights of Buyer hereunder shall run to the benefit of and be fully enforceable by Saudi Aramco. Vendor expressly waives its right to receive the notice of declaration by Saudi Aramco of Saudi Aramco's intention to receive the benefits of this Order and waives any other condition (statutory or otherwise), the satisfaction of which by Buyer or Saudi Aramco is required in order for Saudi Aramco to realize the benefits of this Paragraph 16 and enforce its rights under this Paragraph 16.

**17. TAXES**

All taxes arising out of this transaction shall be borne by Vendor. Vendor warrants that the purchase price is in accordance with applicable government pricing regulations and is exclusive of import tariffs and other taxes not levied on export Orders.

**18. PROTECTION AGAINST INFRINGEMENT**

Vendor warrants that the Goods do not infringe any patent rights, copyrights, trademarks, or trade secrets owned or controlled by any third party, either in the country of manufacture or use. Vendor agrees to defend, indemnify and hold harmless Buyer and its affiliated and related companies against any and all liability, loss or expense arising out of a patent, copyright, trademark infringement or trade secret misappropriation claim relating to the Goods.

**19. CONFIDENTIALITY OF INFORMATION**

Vendor shall safeguard, treat as confidential, and shall not divulge any of Buyer's Data to anyone other than Vendor's suppliers and persons designated in writing by Buyer, so long as, and to the extent that, such of Buyer's Data does not become part of the public domain, does not correspond to information furnished or made known to Vendor on an unrestricted basis by a third party, or was not within Vendor's possession at the time of disclosure.

Should Vendor or any of its suppliers desire to publish or release any publicity or public relations material of any kind concerning or relating to this Order or to Vendor's or its suppliers' activities in connection with this Order, Vendor shall first submit such material to Buyer for review. Vendor shall not publish or release, and shall insure that its suppliers do not publish or release, any such material without Buyer's prior written approval.

Vendor shall not transmit, disclose, ship, export, or re-export either directly or indirectly Buyer's Data or any direct product based on or resulting therefrom (including but not limited to equipment, plant, process or service) to any destination to which the transmission, disclosure, shipment, export or re-export of technical data is proscribed under the laws of the United States.

Vendor shall obtain identical undertakings from any person who is given access by Vendor to any of Buyer's Data.

**20. TITLE TO TECHNICAL DATA**

Buyer's Data shall remain Buyer's property and shall be returned upon Buyer's Request. All designs, drawings and calculations prepared by Vendor for Buyer shall become Buyer's property. All rights to any invention, process, or technology developed for this Order shall become Buyer's property.

**21. CONFLICT OF INTEREST**

Except for customary promotional material and occasional business entertainment, limited in value in any instance to the reasonable cost of a lunch or dinner, Vendor shall not give, directly or indirectly, any money, personal services, credit or other thing of value to Buyer or any employee of Buyer or its affiliated or related companies or to its agents or contractors, in Order to influence the award of this Order, its terms, performance, administration, extension or cancellation.

Vendor by acceptance of this Order confirms that to the best of its knowledge no such gifts have been made, that it will use its best efforts to ensure that none is made and that it will inform Buyer at once should it hereafter learn that any such gift has been made.

Any violation of this provision shall constitute a material breach of this Order which, without prejudice to Buyer's right to enforce any other remedy provided by law, shall empower Buyer to cancel this Order and claim damages including, but not limited to, increased costs incurred by Buyer as a result of such breach.

**22. CONTINUING OBLIGATIONS**

The provisions of the following Paragraphs are continuing ones and their continuing binding effect shall survive the completion or cancellation of this Order: Paragraphs 4, 16, 17, 18, 19, 20 and 21.