

TERMS AND CONDITIONS FOR PRODUCT SALES OF THE ROSEN GROUP

Unless otherwise agreed upon, contracts with ROSEN shall be concluded subject to the following provisions. When placing an order, Company thereby accepts the following Terms and Conditions. Conflicted or deviated terms and conditions of the Company shall not be binding to ROSEN. In the event that the clauses and/or content of the Contract between Company and ROSEN conflict with these Terms and Conditions, the contractual provisions shall have preference over these Terms and Conditions.

1 DEFINITIONS

In the Contract Documents, the following words and expressions shall have the meanings hereby assigned to them, except where the context requires otherwise. The terms defined under the following clauses shall include the singular and the plural as the context requires.

1.1 Amendments

Means any permitted amendment signed by both Parties to any of the Contract Documents.

1.2 Company

Means the company and/or organization which has entered into a contract with ROSEN for the provision of ROSEN's field products and services and correlated works pursuant to these terms.

1.3 Contract

Means the entire integrated Agreement between Company and ROSEN, as evidenced by the Contract Documents.

1.4 Contract Documents

Means the Contract, the Scope of Services, the Terms and Conditions, the Tender and Tender Documents, the Purchase Order, the Appendices referred to in each of the documents, the Minutes of Meetings, if any, the Confidentiality Letter and any amendments executed after the effective date of the Agreement. In the event of any inconsistency between any of the Contract Documents, the Contract Documents shall take precedence in the following order:

- Agreement with its Appendices
- Purchase Order
- Minutes of Meeting
- Tender Documents
- These Terms and Conditions of ROSEN
- Request for a Tender

None of the documents abovementioned shall be used by the Company for any purpose other than this Agreement.

1.5 Day

Means each working day as defined in the country where the services shall be provided.

1.6 Intellectual Property Rights

Means inventions, patents, or applications for a patent, design (registered or unregistered) utility models, rights to inventions, copyright and neighboring and related rights, moral rights, trademarks (registered or unregistered) and service marks, copyrights, name, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights

in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection or other right in respect of any information, process, work, material or method, which subsist or will subsist now or in the future in any part of the world.

1.7 Party/Parties

Means ROSEN and Company individually and collectively.

1.8 ROSEN

Means all members of the ROSEN Group and all ROSEN related Companies, its affiliates, successors and permitted assignees.

1.9 Terms and Conditions

Means these Terms and Conditions for Product Sales of the ROSEN Group.

1.10 Week

Means a full calendar week.

2 REGULATING TERMS

2.1 Application for Contracts

Save to the extent that ROSEN and the Company have otherwise agreed in writing, these Terms and Conditions apply for all contracts with ROSEN whereby other terms and conditions are explicitly excluded. ROSEN's quotations and estimates are non-binding and do not constitute offers capable of acceptance by Company.

2.2 Confirmation

Any order placed by Company shall solely be firm once it has been accepted by ROSEN's confirmation, either in writing or electronic form. In the event that Company has previously submitted a purchase order or any other document containing Terms and Conditions of Sale, and this proposal is deemed to constitute an acceptance of such prior order, ROSEN expressly rejects any terms and conditions submitted in said order which are conflicting with, or in addition to the terms and conditions contained herein. ROSEN's acceptance is expressly made conditional upon Company's consent to the expressed terms and conditions contained herein. Variations or modifications to this Terms and Conditions which are made in writing, signed by ROSEN and Company, shall be enforceable.

3 PRICING AND PAYMENT

All prices are quoted on ex works delivery EXW (Incoterms 2010). ROSEN will make the goods available at its premises. All prices are in EURO and firm for thirty (30) days from the date quoted. When payment is made in installments, a prorated payment will be due as each shipment is made.

Unless stated otherwise on the quotation or invoice, payment shall be made within thirty (30) days of receipt of the invoice.

In the event of default of payment of any amounts owed hereunder, interest at the rate of two (2) % per month, or the maximum legal rate, whichever is less, shall be assessed upon the unpaid balance counting from the date that the payment was due. In the case that the aforementioned default shall be handled by an attorney for collection, all expenses arising therefrom shall be borne by Company.

Neither Company or its affiliated company or assignee, nor ROSEN with its affiliated companies shall have the right to set-off against any amounts which may become payable under this Contract or otherwise, unless the claim is legally established or uncontested or acknowledged by the other Party.

This declaration shall also apply to the affiliated companies and assignees of the Parties, provided that this is legally proved or the claim is based on the right to set-off according to this Contract.

4 RISK OF LOSS

Company shall keep the goods at all times comprehensively insured against loss or damage by accident, fire, theft and other risks usually covered by insurances in the type of business. This insurance shall cover the losses and damages to the goods from the time of collection until the fulfillment of payment. Company's collection of the goods constitutes a waiver of any claim concerning damages and/or shortages of the goods.

5 RETENTION OF TITLE

As these Terms and Conditions are part of a conditional sale, ROSEN shall retain the title of the goods sold and delivered to Company until payment has been fully made (including but not limited to all demands relating to the current account balance). In the case that payment was not properly or duly made, Company shall return to ROSEN the respective goods delivered without any further reminders or legal actions.

ROSEN retains the proprietary rights of the delivered goods, materials and parts until all claims against Company arising from the business relationship are settled, including the claims arising in the future from contracts concluding simultaneously, or at a later date. Furthermore this applies in the event that all claims of ROSEN are included in an account current and the balance thereof is established and acknowledged.

In case of processing, combining or mixing of goods subject to retention of title with goods of the Company, ROSEN shall be entitled to co-ownership of the new property in as much as the invoiced value of goods sold with retention of title relates to the value of the other involved goods. Where ROSEN's co-ownership becomes null and void due to processing, combining or mixing with other goods, the Company immediately assigns to ROSEN those of its rights of ownership in the new property or compound matter which correspond to the amount of the value of goods subject to retention of title by ROSEN. The Company shall also be responsible for holding such rights in safe custody on the behalf of ROSEN and at Company's own expense.

The Company shall only be entitled to resell, process, combine or mix with other property, or otherwise integrate goods under retention of title in normal business operations, as long as the Company is not defaulting. The Company shall be prohibited from taking any other disposition regarding goods for which ROSEN retains title. ROSEN shall be promptly notified about any hypothecation or other seizure of goods under retention of title through a third party. All intervention costs will be charged to the Company if and to the extent that they cannot be collected from such third party. If the Company grants its buyer additional time for payment of the sales price, Company shall reserve title in goods resold with retention of ROSEN's title under the same terms which ROSEN has applied when delivering such goods with retention of title. The Company shall be prohibited from any other kind of resale.

The Company shall immediately assign to ROSEN any receivables resulting from a resale of goods initially sold with retention of ROSEN's title. These will be used to substitute the goods under retention of title as collateral of the equivalent amount. The Company shall only be entitled and authorized to resell such goods if its receivables therefrom accrue to ROSEN.

If ROSEN claims retention of title, this shall only be understood as rescindment of the Contract if expressly stated so by ROSEN in writing. The Company's right to possess goods under retention of title shall be null and void if it fails to meet its contractual obligations.

6 TAXES

All prices are excluding taxes, VAT, GST, value added tax and/or goods and services tax, any federal, state and/or local property, license, duty, custom or other fee of any nature, gross receipts and/or other taxes which may be applicable now or later concerning this Contract or any services performed in connection therewith.

However, if any exemption certificate is accepted by ROSEN but not recognized and/or invoiced by the governmental taxing authority, all such taxes will be paid by Company. Company will promptly reimburse ROSEN for any taxes included in said certificate which ROSEN is required to pay.

7 DELIVERY

7.1 Delivery dates

Any delivery dates quoted are approximated and dependent on ROSEN's prompt receipt of all information necessary to proceed with the work immediately and without interruption. ROSEN is committed to its contractual delivery compromise, but shall not be liable for delays for which Company or a third party is responsible. If price quoted includes the delivery to Company's premises or job site, such price is conditional upon free ingress and egress to the location and upon the location being easily accessible by truck or car.

7.2 Partial deliveries

It is permitted for ROSEN to make partial deliveries as long as they are reasonable for Company. A delay with respect to one partial delivery shall not affect Company's obligation to accept and pay for the remaining deliveries. Any equipment whose delay is caused by Company's control or due to Company's inability to accept delivery may be placed in storage by ROSEN at Company's risk and obligation to pay for all freight, storage and other costs incurred thereby. Every partial delivery may be invoiced separately by ROSEN.

7.3 Notice of defects

Claims for shortages or defective products must be made within ten (10) days after receipt of the delivery. Any failed products or parts must be held for inspection by ROSEN or, at ROSEN's option, returned to ROSEN's factory. Goods may be returned to ROSEN only after approval by ROSEN and receipt of definitive shipping instructions and written return material authorization. Company shall pay for all shipping charges, duties and taxes applicable for products or parts returned to ROSEN for warranty service. In case of warranty, Company shall be reimbursed for the return costs.

8 FORCE MAJEURE

8.1 Force Majeure Event

Force Majeure Event means anything outside a Party's reasonable control including acts of God, fires, explosions, epidemics, nuclear reactions, earthquakes, acts of public or foreign enemies, civil disturbances, war and hostilities (whether war is declared or not), invasions, blockades, insurrections, rebellion, revolutions, riots, acts of terrorism, strikes, commotions, disorders, lockouts or other industrial disturbances, embargoes, restraints or prohibitions or orders or regulations by any court, board, department, commission or agency of any state or country, any arrests or restraints. Neither Party shall be in default of their respective obligations under the Contract which are hindered by Force Majeure.

8.2 Force Majeure Notification

In case of Force Majeure, the affected Party shall inform the other Party within seven (7) days after occurring such case. If the affected Party fails to send a Force Majeure Notification to the other Party, it loses the right to refer to these Force Majeure circumstances in future.

8.3 Cancellation of Contract

All indemnity claims based on partial or complete non-fulfillment of ROSEN's obligations caused by an occurrence as aforementioned are excluded and invalid.

If the event of Force Majeure continues for more than six (6) months, the Parties shall be entitled to cancel the Contract partly or completely upon written notice to the other Party.

9 WARRANTY

9.1 Warranty period

ROSEN warrants that the goods and/or products which are manufactured under ROSEN's control shall be free from material defects caused by inadequacy or neglect in workmanship or materials and are suitable for their intended purpose, whereas the suitability is based on the Company provided information during the warranty period. The goods and/or products shall be stored according to the manual instructions descriptions. ROSEN will assume no warranty in case the storage has not been properly kept. The statutory warranty period will be twelve (12) months from the date of collection of the goods by Company or eighteen (18) months from the date of shipment, whichever occurs first, or for the respective period established by the local law, whichever is the maximum, subject to the following conditions.

9.2 Repair or replacement

ROSEN's sole responsibility under this warranty shall be, at its sole discretion, to either repair or to replace any part which fails during the warranty period due to a defect in workmanship or material. In this case Company shall promptly report the aforesaid defect to ROSEN.

The warranties mentioned above shall not apply (I) if repair or part replacements are required because of accident, misuse, neglect or failure to maintain in accordance with any specifications, or caused by a non-ordinary use, or (II) if the goods have been modified by Company, or (III) where manufacturer's serial numbers or warranty date badges have been removed or altered, or (IV) if wrong information given by Company has led to the damage in question, or (V) if the good has a minor defect.

Any other claims of the Company against ROSEN or its agents or any such claims exceeding the claims provided for in this clause 9.2 based on a material defect, are excluded.

9.3 Exclusion of warranty

THIS WARRANTY SHALL NOT APPLY TO COMPONENT PARTS AND/OR ACCESSORIES WHICH ARE NOT MANUFACTURED BY ROSEN, NOR TO NORMAL MAINTENANCE OR NORMAL MAINTENANCE PARTS. ROSEN DOES NOT WARRANT ANY DAMAGES DUE TO NORMAL WEAR AND TEAR, ABRASION, THE USE OF THE PRODUCTS FOR A NOT INTENDED PURPOSE AND/OR MISUSE. ROSEN'S OBLIGATION UNDER THIS WARRANTY DOES NOT INCLUDE ANY TRANSPORTATION CHARGES, COSTS OF INSTALLATION, REMOVAL OR RETURN, DUTIES, TAXES OR ANY OTHER CHARGES WHATSOEVER.

10 LIMITATION OF WARRANTIES

The warranties and any associated remedies expressed or referenced in these Terms and Conditions are exclusive. No other warranty, written or oral, is express or implied by ROSEN or may be inferred from a course of dealing or usage of trade.

ROSEN DISCLAIMS ALL WARRANTIES, CONDITIONS AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY; FITNESS FOR A PARTICULAR PURPOSE, SYSTEM INTEGRATION OR NON-INFRINGEMENT. ROSEN DOES NOT WARRANT AND DISCLAIMS THAT THE DELIVERED GOODS WILL MEET COMPANY'S NEEDS. ROSEN DOES NOT WARRANT, EXPRESS OR IMPLIED, THE SUITABILITY OF ANY RESULTS, CALCULATIONS OR PREDICTIONS OF THE DELIVERED GOOD.

11 LIMITATION OF LIABILITY

ROSEN, ITS EMPLOYEES AND ITS AFFILIATES SHALL NOT BE LIABLE TO THE COMPANY OR TO ANY OTHER PERSON OR ENTITY IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, FOR ANY DAMAGES ARISING OUT OF A FORCE MAJEURE EVENT, INCIDENTAL, ECONOMIC, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF WILLFUL MISCONDUCT OR GROSS NEGLIGENCE ACTS OF COMPANY, USE OF OR INABILITY TO USE THE DELIVERED GOOD AND ANY USE OF ITS RESULTS, CALCULATIONS OR PREDICTIONS.

COMPANY SHALL COMPLY WITH ANY APPLICABLE LAWS, RULES, OR REGULATIONS RELATED TO ANY FEATURES OF THE DELIVERED GOOD. IN CASE COMPANY FAILS TO DO SO, ROSEN WILL IN NO EVENT BE HELD LIABLE FOR ANY KIND OF OMISSION ON THE PART OF THE COMPANY TO ABIDE BY THIS SECTION.

ROSEN'S, ITS EMPLOYEES AND ITS AFFILIATE'S LIABILITY FOR ANY DAMAGES ARISING OUT OF CARDINAL OBLIGATIONS, PRODUCT LIABILITY, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE ACTS OF ROSEN, INJURY OR DEATH OF ANY PERSON AND AGREED GUARANTEES SHALL BE NOT AFFECTED BY THE ABOVE MENTIONED.

ROSEN'S, ITS EMPLOYEES AND ITS AFFILIATE'S LIABILITY ARISING OUT OF ANY BREACH OF ITS CARDINAL OBLIGATIONS SHALL BE LIMITED TO THE TYPICAL FOR THE CONTRACT FORESEEABLE DAMAGES IF ROSEN ACTED IN SLIGHT NEGLIGENCE. CARDINAL OBLIGATIONS

SHALL MEAN THE OBLIGATIONS WHICH FULFILLMENT MAKES THE CORRECT EXECUTION OF THE CONTRACT POSSIBLE AND ON WHICH COMPLIANCE THE COMPANY CAN TRUST REGULARLY.

ROSEN'S AND ITS AFFILIATE'S PRODUCT LIABILITY SHALL BE NOT AFFECTED BY THIS SECTION. THE PRODUCT LIABILITY REFERS ONLY TO THE DELIVERED GOODS AND NOT TO ITS RESULTS, PREDICTIONS OR CALCULATIONS.

12 INTELLECTUAL PROPERTY RIGHTS

All data which ROSEN has prepared or supplied to Company and all patents, copyrights, design rights, and other intellectual property rights therein shall remain the property of ROSEN. Company shall disclose to ROSEN all inventions which Company or Company's personnel may create and/or which are wholly or substantially based on concepts or data developed or supplied by ROSEN. Ownership of and all Intellectual Property Rights to such inventions shall vest in ROSEN.

Company shall indemnify ROSEN from any action, claim or loss resulting from infringement of patents, licenses, copyrights or other protected rights in connection with the goods.

13 ASSIGNMENT

Company shall not have the right to assign this Contract or any part of its interest, rights, obligations or duties hereunder, without the prior written consent of ROSEN.

14 APPLICABLE LAW AND VENUE

Unless specifically provided otherwise in the Contract Documents, the Contract shall be governed by, and any dispute, controversy or claim arising out of or in connection with this Contract shall be resolved in accordance to the German Law. Any suit, action or proceeding with respect to the Contract shall be directed to the court of Lingen, which shall have jurisdiction and venue.

The application of the uniform law on international sale of goods (CISG) is explicitly excluded.

15 CONFIDENTIALITY

The Company shall treat any and every detail of the Contract as private and confidential, and shall not publish and/or disclose the same to any particulars thereof in any trade or technical paper or elsewhere without the prior written consent of ROSEN.

The Company acknowledges the highly secret and valuable nature of all proprietary inventions, methods, processes, designs, know-how and trade secrets (the "Confidential Data") embodied in ROSEN's Equipment, including, without limitation, the Cleaning Tools and Inspection Tools and their components. The Company agrees not to disclose or use any Confidential Data or Information provided by ROSEN. For these purposes, "Information" means any and all technical, commercial and financial information that is disclosed to the Company by ROSEN under the Contract in oral, written, graphic, digital and/or sample form, including the execution of the Contract itself. The Company guarantees that no photos will be taken of ROSEN's Equipment without the prior written approval of ROSEN. The Company further agrees to take all necessary precautions to prevent disclosure of the Confidential Data and Information to persons other than those employees of the Company to whom such disclosure is necessary for the performance of the Contract. The Company shall obtain written agreements from such employees, obligating them not to make any unauthorized use or disclosure thereof.

The obligations of the Company under this Section "Confidentiality" shall survive the expiration and termination of the Contract for a period of ten (10) years.

In the event of a breach or misuse of Confidential Data or Information under the Contract by Company, ROSEN will be entitled to demand a fine equal to the actual loss. Company shall be entitled to provide proof that either no damage or a substantially lesser damage has occurred. Further claims for damages and rights remain unaffected.

16 PIPELINE CLEANING TOOLS AND INDUSTRY GENERAL PRODUCTS

Company hereby acknowledges and accepts certain risks involved with the performance of Pipeline Cleaning Tools, runs and Industry General Products, including but not limited to, the lodging of a Cleaning Tool in the pipeline. Company acknowledges that it is its sole responsibility and risk to operate ROSEN's goods, even if details of a pipeline have been made known to ROSEN prior to ordering the equipment.

17 SAFETY NOTICE

Any operation involving work on pipelines containing liquids and/or gases under pressure is potentially hazardous. It is necessary that proper procedures are followed in the use of ROSEN equipment to maintain a safe working environment.

No person should use this equipment/products who is not fully trained in the procedures stated in the handling instruction manual and who is not fully aware of the potential hazards connected with work on pipelines containing liquids and/or gases under pressure.

The Company shall be responsible for the manner in which the equipment/product is used and the training and competence of the operators. Should any difficulty arise at any time in the use of equipment/product, ROSEN is to be informed immediately.

18 SUSPENSION AND TERMINATION

18.1 Suspension by Company

The Company may suspend the order only upon a prior 30 days written notice and subsequent payment of all cancellation fees and/or charges as specified by ROSEN including any costs that may have been incurred by ROSEN.

18.2 Termination by ROSEN

ROSEN has the right to terminate the Contract, at ROSEN's absolute discretion, by giving Company a written notice of thirty (30) days. The period notice will be of fourteen (14) days, without prejudice to any other remedy to which ROSEN may be entitled at law or in equity or elsewhere under the Contract Documents, upon the occurrence of any of the following events:

- (a) an order for relief is entered on behalf of Company, or Company makes a general assignment for the benefit of its creditors or Company declares insolvency; or
- (b) failure by the Company in the performance or compliance with any of the agreements, terms, covenants or conditions contained in the Contract Documents; or
- (c) failure by the Company to make prompt payments when due to ROSEN in accordance with the Contract Documents.

In the cases mentioned above, Company shall bear all costs incurred until the specified date of termination. Furthermore Company shall not be entitled to charge ROSEN additional cancellation fees.

19 MISCELLANEOUS

19.1 Insolvency or inability

In the event of insolvency or inability to pay debts as they become due by a Party hereto, or voluntary or involuntary bankruptcy proceeding by or against a Party hereto, or appointment of a receiver for the benefit of creditors, the other Party may elect to cancel any unfulfilled obligations hereunder.

19.2 Notices

Any required notices shall be given in writing at the address of each Party set forth herein, or to such other addresses either Party may substitute by written notice to the other. No Party may assign or transfer any of its rights, duties or obligations herein without the prior written consent of the other Party and any purported attempt to do so shall be null and void. ROSEN's failure to exercise any of its rights hereunder shall not constitute nor be deemed a waiver or forfeiture of such rights. Stenographical and clerical errors are subject to correction.

19.3 Severability Clause

If any provision or part of a provision of these Terms and Conditions is found to be illegal, invalid or unenforceable under any applicable law, such provision or part of a provision shall, insofar as it is severable from the remaining terms, be deemed omitted from these terms and shall in no way affect the legality, validity or enforceability of the remaining terms.