

1. DEFINITIONS / INTERPRETATIONS

1.1 In these Terms and Conditions, the following words shall have the following meanings:

"Company" shall mean InnetiQs GmbH and the relevant affiliated companies of InnetiQs GmbH.

"Conditions" shall mean the standard terms and conditions of sale set out in this document which (unless the context otherwise requires) includes any special terms and conditions agreed in writing between Seller and Buyer including, for the avoidance of doubt and without prejudice to the generality of the foregoing, any order acknowledgement issued by Seller.

"Contract" or **"Order"** shall mean any contract between the Company and the Customer consisting of the purchase order, these General Terms and Conditions of Sale and any other documents (or parts thereof) specified in the Contract including any amendment or supplement thereto.

"Customer" or **"Buyer"** shall mean the person, firm, company, or other entity placing an order with the Company or accepting the Quotation.

"Equipment" shall mean any equipment or apparatus including computer hardware or operating software and/or other goods described in the Quotation which the Company agrees to supply to the Customer under the Contract (including any instalments or parts of them).

"Invoice" shall mean the written notification supplied by the Company identifying the Equipment sold and requiring payment of the price.

"Quotation" or **"Proposal"** shall mean a commercial offer, open for a specified period of time for acceptance by the Customer, to provide Equipment and/or Services by the Company to the Customer.

"Services" shall mean, if any, the services supplied by the Company to the Customer in connection with or ancillary to the sale of the Equipment hereunder.

2. APPLICATION OF TERMS

2.1 These Terms and Conditions shall govern the Contract between the Customer and the Company.

2.2 There shall be no variation to these Terms and Conditions unless expressly agreed in writing by the Company.

2.3 All Terms and Conditions, prices, rates, and other elements of chargeable value are subject to change without notice.

2.4 Documents designated by Company including Quotation Terms & Conditions, if any, are incorporated by reference the same as if set out in full herein. Should any ambiguity or inconsistency exist in any portion of the Order, including any Quotation Terms and Conditions, Order or other documents attached hereto, the following precedence of documents shall apply to eliminate any such ambiguity or inconsistency:

- a) Documents containing Quotation Terms and Conditions;
- b) These General Terms and Conditions of Sale

3. THE CONTRACT

3.1 The placing of any order by the Customer orally or in writing and whether or not a Quotation has been submitted shall constitute an offer by the Customer and the Company shall accept such offer only on the terms and conditions herein contained.

3.2 The Contract shall be affected as and when the Customer's order is accepted by the Company whether orally or in writing by the issue by the Company of its Delivery Note, Invoice or some other form of acceptance in writing

and upon such acceptance as aforesaid, these terms and conditions shall apply to the Contract as and with effect from the date of the Delivery Note, Invoice or other written acceptance (whichever is earlier) and shall be deemed to have been accepted by the Customer unless the Company is notified in writing to the contrary within seven days of Delivery Note, Invoice or other written acceptance (whichever is earlier) and shall have expressly agreed in writing to any variations or amendment thereof.

4. TECHNICAL CONTENT, SPECIFICATIONS, AND INTELLECTUAL PROPERTY

4.1 The Company reserves the right to change the production specifications without prior notice.

4.2 Technical specifications and product designs valid for each offer are those presented in the offer with attachment(s) if applicable.

4.3 Software: InnetiQs owns the copyright to all the software offered and sold by the Company. Software is supplied on a single license basis.

4.4 Computers: The offer to supply equipment does not include either personal computers or printers, unless specified in the offer.

4.5 Documentation: Operation manuals and data sheets for InnetiQs products are supplied as standard with the equipment.

4.6 All intellectual property, including but not limited to all patents, inventions, trademarks, service marks, logos, domain names, know-how, copyrights, design rights and database rights, models, formulae, software, source codes, designs, trade secrets and other confidential information and trade names (whether registered or unregistered) furnished, conceived, reduced to practice, fixed in a tangible medium of expression, or otherwise and all applications and registrations for and extensions and renewal of such rights or any of them, anywhere in the world, in the Equipment or any other items supplied by the Company under this Contract (collectively, "Intellectual Property") shall be and remain the exclusive property of InnetiQs.

4.7 InnetiQs grants the Buyer the right to use the Intellectual Property solely for and to the extent necessary for the inspection of assets with the Equipment, but not for the manufacture of any Equipment and not for the making of any derivative work as defined under copyright law.

5. TRAINING, COMMISSIONING AND AFTER-SALES SERVICE

5.1 Training: The Company shall provide the Customer with a qualified Trainer to provide training on the application of technology and the use of Equipment. This can be delivered at InnetiQs or Customer site(s). Not included in the price of the Equipment.

5.2 Commissioning at Customer Site(s): Upon request, the Company shall provide the Customer with a qualified Engineer to provide installation/commissioning for the supplied Equipment. This will be performed at the Customer's site(s). Not included in the price of the equipment.

5.3 After-sales service and support: Upon request, the Company shall provide the Customer with a maintenance and technical support service including software updates. Not included in the price of the equipment.

5.4 For 5.1 – 5.3 inclusive: The cost of this service(s) is not included in the price of Equipment specified therein. The Customer shall pay the Company for such service at the applicable charge stated in the Quotation or Invoice including, if the work is not performed in the town where at that time the Company maintains qualified personnel, charges for travel time to and from the place of work plus actual living and travel expenses of personnel performing the work.

5.5 The Customer agrees that the inspections shall be performed only by trained and qualified Eddy Current Operators able to perform the equipment calibration and data analysis.

6. PRICE & PAYMENT SCHEDULE

6.1 All prices are in the currency stated in the Quotations, and failing such statement, it shall be considered to be in Euros (€).

6.2 All prices referred to in the Quotation and Invoice are exclusive of Value Added Tax and all relevant duties and taxes of any nature which will be charged to the Customer by the Company at the applicable rate(s), if applicable.

6.3 Carriage and packing charges will be invoiced by the Company to the Customer as an additional charge on all orders, if the delivery of equipment from the Company's premises to the Customer's place of business or another location specified by the Customer is arranged by the Company.

6.4 Insurance and other charges, if applicable at the date of dispatch, will be invoiced by the Company to the Customer as an additional charge on all orders.

6.5 All charges shall be paid in full and received by the Company by the date specified in the Invoice. In the event of delayed payment, a surcharge will apply in the form of interest due to untimely performance obligations. This shall be charged at the European Central Bank base rate that applies during the period in which the debt falls due plus eight (8) percent.

6.6 The Customer shall not be entitled to withhold payment of any amount payable under the contract to the Company because of any disputed claim of Customer in respect of defective Equipment or any other alleged breach of Contract, nor shall the Customer be entitled to set off against any amount payable under the Contract to the Company any monies which are not then presently payable by Customer or for which Customer disputes liability.

6.7 The Company is entitled to demand the Customer to provide sufficient security for the contractual payment obligations, such as for instance, a bank guarantee.

6.8 The Customer agrees to pay all of the Company's costs including legal fees and court costs incurred in the collection of the due amounts from the Customer.

6.9 Ownership of supplied goods will remain the property of the Company until the payment has been received in full.

7. INCOTERMS

7.1 Except as varied by these Conditions or otherwise agreed in writing, the commercial terms in the Contract such as EX-WORKS and CFR shall have the meanings assigned to them by Incoterms, 2010 edition, published by International Chambers of Commerce, including any additions or amendments thereto, or such later edition applicable at the date of order acknowledgement.

8. DELIVERY & RISK

8.1 Any date or time named by the Company for delivery is given and intended as an estimate only and the Company shall not be liable to make good any damage or loss whether arising directly or indirectly out of delay in delivery.

8.2 Delivery shall be deemed to take place when the Equipment is dispatched from the Company's premises, whether collected by the Customer directly or delivered to the Customer at the Customer's place of business or another to another location specified by the Customer. Responsibility for and risk in the Equipment shall pass to the Customer on delivery.

8.3 Delivery shall be taken by the Customer within the period (if any) stated in the Quotation, Delivery Note or Invoice. If for any reason the Customer is unable to accept delivery of the Equipment at the time when it is due and ready for delivery, the Company shall, if its storage facility permits, but at the risk of the Customer, store the Equipment and take all reasonable steps to prevent its deterioration until its actual delivery to the Customer. The Customer shall be liable to the Company for all reasonable costs and expenses of it doing so, including but not limited to the cost of packing and storage, insurance, demurrage, additional carriage and any re-testing and necessary refurbishing.

8.4 Provided nevertheless that after a reasonable time, the Company shall be entitled to terminate the Contract, wholly or in part. This provision shall be in addition to, not in substitution of, any other payment or damages for which the Customer may be liable in respect of his failure to take the delivery at the appropriate date.

9. DAMAGE OR LOSS OF GOODS IN TRANSIT

9.1 Both the Company and the Carrier must be advised in writing within five days of the Invoice date if the goods have not been delivered. Any damage or storage must be advised to the Company and the Carrier within three days of receipt or if conveyed by goods train, within seven days.

10. WARRANTY

10.1 With due regard for the following, InnetiQs guarantees that it complies with the highest standards of workmanship, that the supplied products are suitable for the purpose and use they are intended for and comply with the requirements and specifications of the order.

10.2 The Buyer will report non-conformance of the Equipment to its specifications to the Company within ten (10) days of discovery thereof. The Buyer shall additionally provide with such equipment supporting information with respect to such non-conformance to enable the Company to verify, diagnose and correct the nonconformance.

10.3 The Company warrants the Equipment sold pursuant to this Contract at the time of delivery to be free from defective materials and workmanship under normal use and service in accordance to the technical manual for the periods stated below:

- a) Hardware Components (excluding Sensors) – Twenty-four (24) months following the date of delivery;
- b) Sensors – These are consumable items and a function warranty period of twenty-four (24) months following the date of delivery. Warranty applies on failure upon first time use.
- c) Operating Software – Function warranty period of twenty-four (24) months following the date of delivery. Maintenance and service fees for the software during the warranty period are included in the purchase cost.

10.4 The place for settling all warranty claims is the Company's premises in Stutensee, Germany. All transportation and packing costs related to the settlement of the warranty claims shall be borne by the Customer. In the case where the Company have to settle the warranty claims at the Customer's site, all related personnel mobilization charges, travel costs, accommodation and subsistence expenses of the Company's personnel shall be borne by the Customer.

10.5 Such warranty is limited to the repair or replacement of the defective Equipment.

10.6 LIMITATION. The remedy set forth in this Section 10 is available only if:

- a) The Buyer shall within the Warranty Period notify the Company of the non-conforming Equipment;
- b) The Equipment has been operated and maintained only by qualified personnel with an appropriate level of training for the Equipment, and
- c) The Company determines in its sole discretion that the reported non-conformity is valid and was not caused by misuse, neglect, improper installation, testing or handling, or any other cause beyond the scope of normal usage, or by accident or intentional damage or operation, or use of the Equipment outside its specified operating ranges.

10.7 No warranty shall be effective as to any items of the Equipment to which is attached any apparatus or software other than the apparatus supplied by Seller for attachment or specifically approved for attachment by the Customer in writing.

10.8 No warranty shall be effective if tamperproof seals are broken if equipment is entered in to, tampered with, modified, incorrectly connected, out of specification signals to and from, incorrect supply connected, dropped, liquid ingress, exposed to adverse weather conditions, incorrect storage or incorrect transport.

10.9 The Equipment is not sold subject to any other warranty, condition or representation, nor is any warranty, condition, description or representation to be taken to have been given or implied from anything said or written in the negotiations between the parties or their representatives prior to the Contract.

10.10 Any statutory or other warranty, condition or description expressed or implied as to the state, quality of fitness of the Equipment, subject to this Contract is, to the extent permitted by law, hereby expressly excluded.

11. HIRED GOODS

11.1 Minimum hire period is one (1) week (7 days).

11.2 Goods will remain On Hire until the day of receipt of goods at the Company base.

11.3 No equipment hired may be transferred to a third-party without prior written consent by the Company.

11.4 As of time and date of hire, all goods become the responsibility of the Customer with regard to insurance, loss, theft, damage, breakdown (all risks).

11.5 All equipment prior to leaving Company base is thoroughly checked to ensure the capability of performing to Company specifications. Any fault not reported by the Customer within twenty-four (24) hours of receipt will be deemed the responsibility of the Customer.

11.6 The Customer will be liable for the repair or refurbishing of the Equipment hired, where in the judgement of the Company, the Equipment has suffered from damage, excessive wear or misuse.

11.7 Any equipment returned in a damaged condition will remain on hire for a further period of fourteen (14) days after return to enable the repairs to be affected.

11.8 Any equipment deemed damaged beyond repair, lost, stolen or otherwise totally written-off will remain on hire until a mutually agreed replacement fee is paid by the Customer.

12. OWNERSHIP OF PRODUCTS

12.1 Products supplied by InnetiQs shall remain the property of the Company until payment has been received in full.

12.2 If:

- a) the Customer defaults in payment of any sum owing to the Company hereunder, or;
- b) before ownership and title to the Equipment shall have passed to the Customer, the Customer shall be unable to pay his or its debts as they fall due or shall compound with his or its creditors generally, or being a Company, shall have a Receiver appointed for the purpose of winding up or should the Customer enter into liquidation, whether compulsory or voluntary; Then in any such case, the Company shall be entitled to the immediate return of all Equipment sold by the Company to the Customer in which ownership and title has not passed to the Customer. The Customer hereby authorizes the Company to recover the Equipment and for that purpose to enter any premises of the Customer. The demand for or recovery of the Equipment by the Company shall not itself discharge either the Customer's liability to pay the whole of the price and take delivery of the Equipment or the Company's right to recover the whole of the price.

12.3 Where payment is made by means of a Bill of Exchange, cheque or other negotiable instrument, the Company shall be deemed not to have received payment until the Bill of Exchange, cheque or instrument has been honored on presentation for payment notwithstanding that the Company may have negotiated it and received value thereof.

13. CANCELLATION

13.1 No order may be cancelled without the prior written consent of the Company which will only be given on the terms that the Company is to be compensated against all costs incurred up to the date of such cancellation.

13.2 Authorized return of the saleable Equipment, other than Equipment supplied in error, will be subject to a restocking fee of twenty-five percent (25%) of the selling price plus return freight costs.

14. TERMINATION & SUSPENSION

14.1 The Company shall be entitled without prejudice to its other rights and remedies either to terminate wholly or in part any or every Contract between the Company and the Customer or to suspend any further deliveries under any or every such Contract in any of the following events:

- a) If any sum owing from the Customer to the Company for any reason whatsoever is unpaid after the due date for payment;
- b) If the Customer refuses to take delivery of any of the goods;
- c) If the Company has any reason to doubt the credit-worthiness of the Customer;
- d) If the Customer commits any act of insolvency;
- e) If the Customer commits any breach of any Contract between the Customer and the Company

The Company shall be entitled to exercise its rights of termination or suspension at any time during which the event or default giving rise thereto has not ceased or been remedied in full and in the event of any such security as it may require for the payment of the price for any further delivery.

15. INDEMNITY

15.1 The Customer shall indemnify and hold harmless the Company, its officers, employees, or agents from all claims, losses, damages, costs (including legal costs), expenses, penalties and liabilities of every kind and nature resulting from

- a) personal injury including fatal injury;
- b) loss or damage to property of the Customer and/or third parties;

which arise out of or in connection with or in consequence of any use of or alteration to the Equipment by the Customer or any third party, whether or not the negligence or breach of duty of the Company, its officers or agents caused or contributed to such personal injury, loss or damage.

16. CONSEQUENTIAL LOSSES AND LIQUIDATED DAMAGES

16.1 The Company shall not be responsible for, nor shall it bear any liability under the Contract for incidental, indirect or Consequential Damages of any kind, arising from, relating to or in connection with the performance or non-performance of the Contract.

16.2 In case of a delay in the agreed delivery period that can be attributed to the Company and the Customer suffering demonstrable damage as a result of this, the Company shall owe liquidated damages of 0.5% of the price agreed for the work for every full week of delay, commencing thirty (30) days after the relevant due date for delivery, up to a maximum of 5% or €10,000 (Euro Ten Thousand), whichever is lower. Payment of liquidated damages is the sole remedy of the Customer.

16.3 The Company shall accept no other penalties relating to performance.

17. FORCE MAJEURE

17.1 The company shall not be liable for any special, direct and/or Consequential Damages for a failure to perform its obligation under the Contract where such failure or non-compliance is caused by an event of Force Majeure or any other occurrence beyond the reasonable control of the Company.

17.2 In the event that the Company is affected by Force Majeure or any such other occurrence, the time for performance of its obligations shall be automatically extended by the time equal to the duration of the Force Majeure or such other occurrence.

18. TERRITORIAL RIGHTS

18.1 The Customer shall not offer inspection services using the purchased Equipment from the Company in the countries/territories where the Company is already offering its inspection services using the same or similar Equipment.

18.2 The territorial rights for the Customer shall be defined in a separate Equipment Purchase Agreement.

19. ENTIRE AGREEMENT

19.1 These Terms and Conditions shall constitute the entire Contract between the Company and the Customer and no undertakings, representations, or warranties on the part of the Company or on the part of any person

acting or purporting to act as the Company's agents, whether expressed or implied shall be deemed to affect the construction of the Contract to impose any further obligations on the Company.

20. DISPUTE RESOLUTION

20.1 Any dispute, controversy or claim arising out of or in connection with the Contract, or the breach or validity thereof, which is not settled amicably by the Customer and the Company within thirty (30) days of first arising will generally be settled by arbitration under the German Arbitration Law 1998.

20.2 The costs of the arbitration proceedings (including legal fees and costs) shall be borne in a manner determined by the arbitrator. Nothing in these Terms and Conditions shall inhibit either Party from taking action in a court in any relevant jurisdiction.

21. GOVERNING LAWS

21.1 Unless otherwise previously agreed and stated in writing, the Contract will be governed by and construed, interpreted, and enforced in accordance with the non-exclusive jurisdiction of the Laws of Germany.

22. DECLARATION OF INTENT ON GEOGRAPHICAL MARKET RESTRICTION

22.1 Restricted marketing and availability of the MagIQ SZ200

The MagIQ SZ200 in simultaneous use of Techniques MagControl and Ultrasonics is subject to a geographical restriction in the UK and the USA, and will not be used anywhere in these territories. InnetiQs GmbH takes the legal framework in these countries seriously and respects the existing legislation. For inquiries from the affected named countries, we will endeavor to offer alternative solutions if necessary, provided this is legally and technically feasible.

22.2 Restricted marketing and availability of the MagIQ SC200 Subsea Crawler

The MagIQ SC200 Subsea Crawler in combination with the moveable mounted permanent magnet and EddyCurrent Sensors is subject to a geographical restriction in the UK, Norway, and the USA, and will not be used anywhere in these territories. InnetiQs GmbH takes the legal framework in these countries seriously and respects the existing legislation. For inquiries from the affected named countries, we will endeavor to offer alternative solutions if necessary, provided this is legally and technically feasible.