

# SONARDYNE INC

("Sonardyne")

## SUPPLY OF PRODUCTS AND SERVICES TERMS

### 1 INTERPRETATION

1.1 In these Terms and each Contract, the following definitions and rules of interpretation shall apply:

**"Affiliate"** of Sonardyne or the Customer means, respectively, any corporation, company, firm, partnership or other entity that, directly or indirectly, controls, is controlled by, or is under common control with the relevant party. For the purposes of this definition, "control" shall mean the ownership of at least 50 percent (50%) of the voting share capital of such entity or any comparable equity or ownership interest;

**"Applicable Laws"** means all laws, statutes, ordinances, rules, regulations, of any legislative, administrative, judicial or executive body with jurisdiction or apparent authority over any of the Products or Services being sold or provided under this Contract and any activity conducted in connection herewith as all of the foregoing may be amended and applicable and in effect from time to time.

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business;

**"Commencement Date"** means the date of the Contract;

**"Confidential Information"** means any confidential information disclosed by one party concerning the business or affairs of that party or its Affiliates, including but not limited to information relating to that party's operations, processes, plans, product information, know-how, designs, trade secrets, software, market opportunities and customers but excludes confidential information that is already in the public domain other than by breach of a confidentiality agreement between the parties or is already known to the other party without restriction;

**"Contract"** means the contract for the supply of the Products and/or the Services made between Sonardyne and the Customer (whether or not signed by them), which comprises these Terms, any front sheet or other documentation (including any quotation or attached document) setting out the specific terms of the Contract, including the agreed terms of an Order or Order Acceptance, and all agreed schedules and appendices;

**"Contract Term"** means any time period specified in the Contract as its contractual duration;

**"Customer"** means the company or other person identified in the Contract as the Customer;

**"Customer Materials"** means all and any information, specifications, plans, concepts, drawings, designs and other materials supplied by or on behalf of the Customer, in any format;

**"Delivery"** means completion of delivery of Products at Sonardyne's or its stated third party's premises in accordance with clause 7.1;

**"Delivery Date"** means the date that Delivery is made as defined in clause 7.1;

**"Due Date"** shall have the meaning in clause 11.3;

**"Equipment"** means tangible deliverables supplied by Sonardyne under a Contract, excluding Software and documentation;

**"Force Majeure Event"** means an event beyond the reasonable control of a party (or any person acting on its behalf), and includes, without limitation, acts of God, severe weather conditions, storms, floods, fires, sabotage, strikes, lockouts, other industrial disputes, vandalism, riots, civil commotion or other civil unrest, the effects of legislation, regulation, refusal of export licence or any other government refusal, embargo or intervention, or other legal intervention, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources or severe transport disruption;

**"Intellectual Property Rights"** means all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world and "Intellectual Property Right" means any one of the Intellectual Property Rights;

**"Month"** means a calendar month;

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**“Order”** means an order for Products and/or Services submitted by the Customer in accordance with clause 3;

**“Order Acceptance”** means a written notification issued by Sonardyne stating expressly that the Order received has been accepted and will be performed, including any terms set out in such Order Acceptance;

**“Personnel”** means all officers, directors, employees and other persons hired as consultants, workers, agency personnel or in any other capacity or under any form of contract;

**“Prices”** means the prices of the Products and any separately priced Services, as set out or referred to in the Contract;

**“Products”** means the Equipment and/or Software and/or documentation listed or otherwise identified in, or supplied by Sonardyne as a deliverable under the Contract;

**“Representatives”** means employees, officers, agents, consultants or sub-contractors of a party;

**“Services”** means the services listed or otherwise identified in the Contract;

**“Shipment”** means as defined in clause 7.2;

**“Shipment Charges”** means the charges specified in clause 10.3;

**“Software”** means deliverables comprising computer code supplied as either Sonardyne Software, or Third Party Software in object code, whether embedded within Equipment, or supplied with Equipment, or supplied separately from Equipment, by Sonardyne under or in connection with a Contract;

**“Sonardyne”** means Sonardyne Inc., a company incorporated and registered in Texas with company registration number 76-0261169 whose registered office is at Suite 130, 8280 Willow Place Drive, Houston, Texas, 77070, USA;

**“Sonardyne Software”** means any Software, the Intellectual Property Rights to which are owned by Sonardyne or its parent company or Affiliates;

**“Specification/s”** means the Sonardyne agreed specification/s of the Products and/or Services;

**“Terms”** means the general terms and conditions set out in this document;

**“Third Party Software”** means any Software the Intellectual Property Rights to which are owned by a third party other than Sonardyne’s parent company or Affiliates;

**“UK”** means the United Kingdom of Great Britain and Northern Ireland;

**“Warranties”** has the meanings stated in clause 4 and **“Warranty”** and **“Warrants”** shall be interpreted accordingly;

**“Warranty Period”** means the period stated as such in the Contract or if none is stated, then for new Equipment the period of 12 months from the date of Delivery; for Equipment that has been repaired by Sonardyne under clause 8.4, 6 months from the date of Delivery of the repair; for Sonardyne Software the period of 3 months from Delivery; and for Services the period of 3 months from completion;

**“Year”** means a calendar year.

### 1.2 In these Terms and each Contract:

1.2.1 references to regulations, statutes or other statutory provisions shall be construed to include references to those regulations, statutes or provisions as amended, re-enacted or modified from time to time and shall include any subordinate legislation under the relevant statute or statutory provision;

1.2.2 words denoting the singular include the plural and vice versa; words denoting any one gender include all genders and vice versa, and reference to a person shall include an individual, partnership, company, body corporate and unincorporated association and a reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established;

1.2.3 the words and phrases “other”, “including” and “in particular” shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible;

1.2.4 clause, schedule and paragraph headings shall not affect the interpretation of any provision or these Terms or the Contract;

1.2.5 a reference to or references to:

1.2.5.1 a “party” or the “parties” means as the context requires, Sonardyne, the Customer, or both of them;

1.2.5.2 “writing” or “written” includes faxes and e-mail;

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- 1.2.5.3 a “document” is a reference to that document as varied in accordance with this Contract or by agreement between the parties;
- 1.2.5.4 “clauses” and “schedules” are to the clauses and schedules of the relevant Contract and these Terms as applicable;
- 1.2.5.5 any obligation on a person not to do something includes an obligation not to agree or allow that thing to be done.

### 2 SUPPLY OF THE PRODUCTS AND SERVICES

- 2.1 Sonardyne shall supply and the Customer shall purchase the Equipment and/or Services and/or licence the Software stated in the Contract in accordance with these Terms.
- 2.2 Unless specifically stated in the Contract, Sonardyne will not supply and is not responsible for any installation, commissioning, decommissioning or training services in relation to the Products supplied.

### 3 ORDERS AND CONTRACTS

- 3.1 Each Order shall be deemed to be a separate offer by the Customer to purchase the Equipment and/or Services and/or licence Software on these Terms, which Sonardyne shall be free to accept or decline at its absolute discretion.
- 3.2 Orders shall not be legally binding upon either party unless and until a Contract exists and a Contract shall only exist when:
  - 3.2.1 Sonardyne issues an Order Acceptance; or
  - 3.2.2 where applicable, the parties enter into a signed Contract.
- 3.3 Each Order shall be given in writing and specify the type or part number and quantity of Products ordered and the Products' code numbers, where available; and/or the Services ordered.
- 3.4 Sonardyne shall assign an order number to each Contract and shall notify such order numbers to the Customer together with the estimated date by which the Products will be ready for Delivery. Each party shall use the relevant order number in all subsequent correspondence relating to the Contract.
- 3.5 Except if specifically agreed in accordance with clause 3.6 below, no terms of the Customer shall be incorporated into or otherwise form part of any Contract, whether appearing on a purchase order or any other document.
- 3.6 These Terms prevail over and replace any provisions in the Contract which are, or which appear to be inconsistent with these Terms (including any reference to INCOTERMS® or other standard or Customer specific terms), unless another provision of the Contract refers to a specific provision of these Terms and expressly states that such referenced Term is to be amended or overridden (either entirely, or to the extent stated). In particular, nothing shall prevail over or replace clause 13 (Liability) unless the Contract provision expressly refers to that clause and states that it prevails over or replaces it.
- 3.7 Once the Contract is made pursuant to clause 3.2, it cannot be cancelled by either party other than by mutual written agreement (without affecting the parties' rights of termination under the Contract).

### 4 WARRANTIES

- 4.1 The following **Warranties** (each a “**Warranty**”) are given by Sonardyne with regard to the quality and performance of Products supplied by it to the Customer under a Contract:
  - 4.1.1 Equipment shall be free in all material respects from defects in materials and workmanship discovered during the Warranty Period;
  - 4.1.2 Sonardyne Software shall comply in all material respects with the applicable Specification during the Warranty Period;
  - 4.1.3 Sonardyne shall pass on the benefit of any remaining warranty regarding the performance and correction of Third Party Software enforceable by it and which it can pass to the Customer;
  - 4.1.4 Products shall comply with all applicable UK statutory and regulatory requirements except as excluded by clause 4.4 below.
- 4.2 Sonardyne **Warrants** that the Services supplied to the Customer by Sonardyne under the Contract will be performed by appropriately qualified and trained personnel, with reasonable skill and care and materially in accordance with the applicable Specification.
- 4.3 Claims with regard to the above Warranties shall be made in accordance with and are subject to the terms of clause 8.
- 4.4 THE ABOVE WARRANTIES ARE GIVEN IN LIEU OF STATUTORY AND OTHER IMPLIED CONDITIONS AND WARRANTIES. ALL WARRANTIES, CONDITIONS, TERMS AND LIABILITIES

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EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, ON THE PART OF SONARDYNE, IN RESPECT OF COMPLIANCE WITH DESCRIPTIONS, MERCHANTABILITY, THE QUALITY, WORKMANLIKE PERFORMANCE OR THE FITNESS FOR PURPOSE OF THE PRODUCTS AND THE SERVICES WHICH ARE NOT EXPRESSLY SET OUT IN THE CONTRACT ARE EXCLUDED EXCEPT TO THE EXTENT SUCH EXCLUSION IS PROHIBITED OR LIMITED BY LAW AND ARE SUBJECT TO THE LIMITATIONS SET FORTH IN CLAUSES 8 and 13.

### 5 TERMS RELATING TO SERVICES

- 5.1 The scope of any Services will be as set out in the Contract.
- 5.2 Where any Services are purchased:
  - 5.2.1 the Customer must provide to Sonardyne all information, facilities, instructions and responses relating to the required Services and/or associated Products or otherwise, required by Sonardyne, within a sufficient time to enable Sonardyne to perform the Contract;
  - 5.2.2 the Customer is responsible for obtaining all necessary consents, licences and permits relating to, and for the accuracy and legality of, all information provided, including all Customer Materials.
  - 5.2.3 on completion of the Services, the Customer will either be required to participate in any acceptance testing specified in the Contract and to sign a Sonardyne acceptance certificate or will be provided with an engineer's visit report;
  - 5.2.4 the Services will be treated as accepted and satisfactorily completed on the signing of such certificate, the delivery of the engineer's visit report, and in any event will be treated as accepted if seven or more days has elapsed since the date that Sonardyne notified the Customer that the Services were complete.
  - 5.2.5 any support services provided by Sonardyne with regard to Products provided under a Contract shall be subject to the support terms provided or otherwise stated on Sonardyne's website for such support.

### 6 CUSTOMER OBLIGATIONS

- 6.1 Except to the extent that a Contract specifies that Sonardyne is providing relevant consultancy Services regarding Product selection, the Customer shall be responsible for its own Product selection and for ensuring the suitability of the Products for the required purpose.
- 6.2 The Customer is responsible for obtaining all necessary consents, licences and permits relating to its use of the Products and/or Services.
- 6.3 The Customer shall accept delivery and shipment of the Products in accordance with the provisions of clause 7 below.
- 6.4 The Customer shall indemnify, defend, hold harmless and release Sonardyne at all times against all claims, demands, costs (including legal costs on a full indemnity basis), expenses, losses and liabilities incurred by Sonardyne as a result of:
  - 6.4.1 Sonardyne following any designs, specifications, instructions or other reliance on Customer Material;
  - 6.4.2 any claim that the Customer Materials, or any part of them infringe any rights of any third parties, including any Intellectual Property Rights;
  - 6.4.3 the Customer having failed to install, commission or use the Products using suitably experienced and trained personnel or in accordance with instructions and licences supplied by Sonardyne and/or the manufacturer of the Products.

### 7 DELIVERY AND SHIPMENT

- 7.1 **Place and means of Delivery.** Unless otherwise agreed in the Contract in writing, delivery of Products shall be made at Sonardyne's, or Sonardyne's Affiliate's and/or its specified third party's premises, when Sonardyne, or its Affiliate or specified third party, advises the Customer by email, fax, or if necessary verbally by telephone followed up by email or fax, that the Products are manufactured and ready for shipment ("**Delivery**" and "**Delivery Date**" respectively).
- 7.2 **Shipment.** Following Delivery in accordance with clause 7.1, shipment shall be made as follows:
  - 7.2.1 Where the Customer has notified Sonardyne in advance of or at the time of Delivery, that it has chosen to arrange for collection of the Products, the Customer shall collect the Products from Sonardyne's, or Sonardyne's Affiliate's, and/or its specified third party's premises within five Business Days of the Delivery Date; or

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- 7.2.2 If the Customer has not notified Sonardyne in advance of or at the time of Delivery that it wishes to arrange for collection of the Products, or has advised Sonardyne that it wishes Sonardyne to arrange for shipment, then Sonardyne shall proceed to arrange shipment to the Customer as agent for the Customer and in accordance with clause 10.3.
- 7.2.3 At its discretion, Software may be shipped by Sonardyne integrated with the Equipment, by supply of the Software on a disk, or by download over the internet whether or not subject to activation by the Customer.

(“Shipment”).

- 7.3 Any dates quoted or estimated for the Delivery Date, or date of shipment or receipt of the Products or performance of the Services are approximate only and the time for Delivery, shipment or receipt of the Products, or completion of the Services shall not be of the essence. The Products may be delivered or shipped by Sonardyne in advance of any quoted or estimated delivery or shipping date upon giving reasonable notice to the Customer.
- 7.4 The Customer acknowledges that Sonardyne is not responsible for procuring or securing delivery to the end destination required by the Customer, where the Products will be installed or otherwise used.
- 7.5 Sonardyne may perform Contracts by instalments, which may be invoiced (and must be paid for) separately. Where the Products are delivered in instalments, each Delivery and shipment shall constitute a separate contract and failure by Sonardyne to deliver any one or more of the instalments in accordance with the Contract or any claim by the Customer in respect of any one or more instalment shall not entitle the Customer to treat the Contract as a whole as repudiated.
- 7.6 Notwithstanding clause 7.3, if Delivery by Sonardyne of any Products or performance of the Services has not been made within a reasonable period after the advised estimated date for Delivery of the Products or performance of the Services, the Customer shall be entitled to terminate the Contract in respect of those Products or Services by written notice to Sonardyne provided that:
- 7.6.1 the Customer has previously notified Sonardyne in writing that the affected Product or Service has not been Delivered or provided on or before the expected Delivery date, or date for provision of the Services; and
- 7.6.2 a revised Delivery Date or performance date or period has been mutually agreed; and
- 7.6.3 Sonardyne has failed to Deliver or otherwise perform within that revised period.
- Any liability of Sonardyne however arising in respect of delays in Delivery or performance, shall be limited to a credit of the price due or a refund of sums paid by the Customer for those Products or Services not Delivered or provided. In no circumstances shall Sonardyne have any further liability to the Customer in damages or otherwise for non-delivery or non-performance or late delivery or performance of any of the Products or Services.
- 7.7 Sonardyne shall have no liability for any failure or delay in delivering a Contract to the extent that such failure or delay is caused by the Customer's failure to comply with its obligations under the Contract.
- 7.8 If the Customer fails to take possession of the Products in accordance with clause 7.2 (or otherwise if some other delivery or shipment method is agreed) otherwise than due to breach by Sonardyne, then, in relation to the uncollected or refused Products, Sonardyne shall be entitled (without prejudice to its other rights under the Contract or at law) to:
- 7.8.1 require the Customer to pay any costs of storage, or a reasonable charge for storage; and/or
- 7.8.2 require the Customer to pay any Shipment Charges; and /or
- 7.8.3 resell the Products to a third party after giving reasonable period of notice (as determined by Sonardyne) to the Customer; and/or
- 7.8.4 retain any sums paid as deposit for the Products.
- 7.9 Each shipment shall be accompanied by a delivery note or commercial invoice, from Sonardyne showing the Order number, or other Contract reference, the date of the delivery note and the type or part number and quantity of Products.
- 7.10 Where a delivery note, commercial invoice, or certificate of conformity is provided, this shall be conclusive evidence that the Products were in a satisfactory condition on leaving the custody of Sonardyne and the Customer shall have no right to reject the Products delivered.
- 7.11 Sonardyne shall use all reasonable endeavours to obtain export licences to enable shipment of the Products to the Customer and the Customer shall provide all necessary information and assistance to Sonardyne to enable the same, in a timely manner. The Customer shall otherwise be responsible for obtaining all required export and import licences, clearances and any other documentation necessary for the import of the Products and for the despatch of the Products and their delivery to their end destination, except for any matters agreed in the Contract to be the responsibility of Sonardyne.

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- 7.12 Without affecting the obligation of the Customer under clause 7.11, the Customer will, if requested, notify Sonardyne, and if required provide such further evidence as Sonardyne may require, of the location of the expected end destination for each shipment of Products.
- 7.13 The Customer shall provide Sonardyne with such documentation and information as Sonardyne may require for taxation, regulatory or reporting purposes, including as required in order to answer or respond to the queries or investigations of any regulatory authority, wherever located.

### 8 WARRANTY CLAIMS

- 8.1 The provisions of this clause 8 shall apply if the Customer makes any claim that Sonardyne is in breach of Warranty.
- 8.2 Any claim under a Warranty must be notified in writing to Sonardyne before the expiry of the Warranty Period by email addressed for the attention of the Quality Manager at [warranty@sonardyne.com](mailto:warranty@sonardyne.com).
- 8.3 In the event of any claim under the Warranty:
- 8.3.1 the Customer must promptly notify Sonardyne in accordance with clause 8.2, of the claim and in any event within 14 days of the alleged fault first arising;
  - 8.3.2 unless otherwise agreed by Sonardyne in writing, the Customer must immediately cease use of the alleged defective Product, and confirm to Sonardyne that this has been adhered to;
  - 8.3.3 the Customer must return the affected Product to the agreed Sonardyne location at its own cost;
  - 8.3.4 Sonardyne will investigate the claim and the Customer shall provide all information and assistance that may be required by Sonardyne;
  - 8.3.5 Sonardyne shall determine whether or not the Product is defective under the Warranty and if it does determine that there has been a breach of the Warranty, shall decide at its discretion to either repair or replace the defective Products or part of the defective Products;
  - 8.3.6 the Customer shall in any event be responsible for the return of the repaired or replaced Product to the Customer and for all costs associated with the detachment, decommissioning, removal, replacement and re-attachment, re-installation and re-commissioning of the repaired or replaced Products;
  - 8.3.7 risk of loss of or damage to Products shall be with the Customer at all times other than when they are in the custody of Sonardyne.
- 8.4 Sonardyne's only liability in respect of any Product supplied in breach of the Warranty or otherwise relating to any allegation of any defect in Products supplied shall be the repair or replacement of the defective Products or part of the defective Products (or in the case of Sonardyne Software, the provision of a workaround; and in the case of Third Party Software, its obligations under clause 4.1.3) in accordance with this clause 8.
- 8.5 Sonardyne shall not be liable for Products' failure to comply with the Warranty if any of the following events or circumstances applies:
- 8.5.1 the Customer makes any further use of such Products after giving notice in accordance with clause 8.3.1 unless otherwise agreed by Sonardyne in accordance with clause 8.3.2;
  - 8.5.2 the defect arises because the Customer has failed to follow Sonardyne's or a manufacturer's oral or written instructions as to the storage, commissioning, installation, use and maintenance of the Products or (if there are none) good industry practice regarding the same;
  - 8.5.3 the defect arises as a result of Sonardyne following information contained in any Customer Materials or any other instructions or requirements of the Customer;
  - 8.5.4 the Customer or a third party alters or repairs such Products without the written consent of Sonardyne;
  - 8.5.5 the defect arises as a result of fair wear and tear, any externally caused damage, whether by the Customer or otherwise (whether wilful, malicious, accidental or otherwise) negligence of the Customer or any third party, or abnormal or otherwise inappropriate storage or working conditions; or
  - 8.5.6 the Customer has failed to install the latest version or release of Software as recommended by Sonardyne in writing if using such version or release would avoid such defect.

### 9 TITLE AND RISK

- 9.1 Risk of loss of or damage to Products shall pass to the Customer:
- 9.1.1 in the case of Products to be delivered under clause 7.1, on Delivery;
  - 9.1.2 where it is agreed in the Contract that Products are to be Delivered otherwise than under clause 7.1, then at the time and place agreed in writing.

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- 9.2 Title to Equipment shall not pass to the Customer until Sonardyne has received payment in full (in cash or cleared funds) for:
- 9.2.1 the price of the Products under the Contract; and
  - 9.2.2 all other sums which are or which become due to Sonardyne from the Customer for the Products under the Contract.
- 9.3 Until title to Equipment has passed to the Customer, the Customer shall:
- 9.3.1 hold such Equipment and associated Software on a fiduciary basis and as Sonardyne's bailee;
  - 9.3.2 store such Equipment and associated Software separately from all other goods held by the Customer so that they remain readily identifiable as Sonardyne's property;
  - 9.3.3 not remove, deface or obscure any identifying mark or packaging on or relating to such Equipment and associated Software;
  - 9.3.4 maintain such Equipment and associated Software in satisfactory condition and keep them insured on Sonardyne's behalf for their full price against all risks with an insurer that is reasonably acceptable to Sonardyne. On request the Customer shall allow Sonardyne to inspect such Equipment and associated Software; and
  - 9.3.5 not pledge or allow any encumbrance, lien, charge or other interest to arise or be created over the Equipment or associated Software or dispose of or deal with the Equipment or associated Software, but the Customer may use or resell the Equipment in the ordinary course of its business provided that such right shall automatically cease upon the occurrence of any event or circumstance referred to in clause 22.1.2.
- 9.4 If before title to Equipment passes to the Customer, the Customer becomes subject to any of the events in clause 22.1.2 then without limiting any other right or remedy Sonardyne may have, Sonardyne may at any time require the Customer to deliver up such Equipment and associated Software and, if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the relevant Products are situated in order to recover them and the Customer shall provide all reasonable assistance to Sonardyne.

## 10 PRICES

- 10.1 The Prices are exclusive of amounts in respect of applicable taxes and levies and any charges or imposts of any kind including VAT, sales taxes, excise duties and import or export duties or fees. The Customer shall, on receipt of a valid invoice from Sonardyne, pay to Sonardyne such additional amounts in respect of any such amounts as are chargeable on a supply of Products or Services.
- 10.2 The Customer shall make all payments without withholding or deduction of, or in respect of, any tax unless required by law. If any such withholding or deduction is required, the Customer shall, when making the payment to which the withholding or deduction relates, pay to Sonardyne such additional amount as will ensure that Sonardyne receives the same total amount that it would have received if no such withholding or deduction had been required unless required by law to pay the net amount, in which case the Customer shall fully co-operate with Sonardyne and shall provide such assistance and documentary evidence as requested in order for Sonardyne to re-claim the withheld tax from the relevant tax authority.
- 10.3 Prices exclude special packaging, insurance and freight/transport charges ("**Shipment Charges**"). Where Sonardyne arranges for shipment, it does so as agent for, and at the risk, of the Customer and Shipment Charges shall be levied in addition to the Price at cost plus 15% unless otherwise expressly agreed by Sonardyne in writing in the Contract.

## 11 TERMS OF PAYMENT

- 11.1 In respect of Products (except where milestone payments are stated in the Contract), Sonardyne shall be entitled to invoice the Customer for each Product on or at any time after Delivery. Each invoice shall quote the relevant Order number.
- 11.2 In respect of Services, Sonardyne shall be entitled to invoice the Customer in accordance with the Contract terms, and if no terms are specified, then at any time after performance of the relevant Services.
- 11.3 The Customer shall pay invoices in full and in cleared funds within 30 days of date of invoice (referred to as the "**Due Date**"). Payment shall be made to the bank account nominated in writing by Sonardyne.
- 11.4 If the Customer fails to make any payment due to Sonardyne under the Contract by the Due Date, then, without limiting Sonardyne's remedies including under clause 22.1:
- 11.4.1 the Customer shall, to the extent permitted by Applicable Law, pay interest on the overdue amount at the rate of one and a half percent (1.5%) per month. Such interest shall accrue on a daily basis from the Due Date until the date of actual payment of the overdue amount, whether before or after judgment. The Customer shall pay all interest together with the overdue amount;

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- 11.4.2 Sonardyne may suspend or cancel production and/or supply of all or any of the Products under the directly affected Contract, or under any other Contracts between the Customer and Sonardyne and where relevant, suspend provision of the Services;
  - 11.4.3 Sonardyne may require the Customer to pay any costs of storage, or a reasonable charge for storage, of undelivered Products;
  - 11.4.4 Sonardyne may resell to a third party any Products not yet delivered to the Customer;
  - 11.4.5 Sonardyne may retain any sums paid as deposit for the Products.
- 11.5 Sonardyne shall have an action for the Price and other sums due notwithstanding that title in Products has not passed to the Customer.
- 11.6 If the Customer disputes any invoice or other statement of monies due, the Customer shall immediately notify Sonardyne in writing. The parties shall negotiate in good faith to attempt to resolve the dispute promptly. Where only part of an invoice is disputed, the undisputed amount shall be paid on the Due Date as set out in clause 11.3.
- 11.7 Sonardyne, without limiting any other rights or remedies it may have, may set off any amounts owed to it by the Customer against any amounts payable by it to the Customer. The Customer shall not have any right of set off.
- 11.8 All payments payable to Sonardyne or the Customer under the Contract shall become due immediately on its termination. This clause 11.8 is without prejudice to any right to claim for damages or interest under the law or under the Contract.

## 12 INSURANCE

- 12.1 Without affecting or increasing the liability of Sonardyne, during the Contract Sonardyne shall maintain in force the following insurance policies with reputable insurance companies:
- 12.1.1 General liability insurance with a limit of up to \$1,000,000 (one million US dollars) per occurrence;
  - 12.1.2 Umbrella liability insurance with a limit of up to \$4,000,000 (four million US dollars) per occurrence and in aggregate; and
  - 12.1.3 Workers Compensation and Employers Liability insurance with a limit of \$1,000,000 (one million US dollars) per occurrence.
- 12.2 The Customer shall ensure that it has in place adequate insurance in view of the indemnities provided to Sonardyne under clause 13.

## 13 LIABILITY

- 13.1 SONARDYNE SHALL ONLY BE LIABLE TO THE CUSTOMER IN RESPECT OF CLAIMS NOTIFIED TO SONARDYNE IN ACCORDANCE WITH THE CONTRACT AND IN PARTICULAR CLAUSES 7 AND 8 OF THESE TERMS.
- 13.2 SONARDYNE AND SONARDYNE PERSONNEL SHALL HAVE NO LIABILITY:
- 13.2.1 FOR ANY ADVICE GIVEN BY SONARDYNE PERSONNEL FREE OF CHARGE WHICH IS NOT CONTRACTED TO BE PROVIDED UNDER THE CONTRACT, OR;
  - 13.2.2 FOR ANY DEFECTS OR PROBLEMS IN THE PRODUCTS OR SERVICES IN SO FAR AS CAUSED BY SONARDYNE FOLLOWING THE CUSTOMER'S SPECIFICATION, DESIGN OR OTHER INSTRUCTIONS; OR
  - 13.2.3 FOR ANY DEFECTS OR PROBLEMS IN SO FAR AS CAUSED BY THE CUSTOMER NOT FOLLOWING SONARDYNE'S SPECIFICATION, DESIGN OR OTHER INSTRUCTIONS; OR FAILING TO INSTALL THE LATEST VERSION OR RELEASE OF SOFTWARE AS RECOMMENDED BY SONARDYNE IN WRITING IF USING SUCH VERSION OR RELEASE WOULD AVOID SUCH DEFECTS OR PROBLEMS.
- 13.3 ANY LIABILITY SONARDYNE MAY HAVE FOR CLAIMS CONCERNING DAMAGE TO THE PHYSICAL PROPERTY (EXCLUDING THE PRODUCTS) OF THE CUSTOMER OR THE CUSTOMER'S PERSONNEL ARISING OUT OF OR IN CONNECTION WITH THE CONTRACT, THE PRODUCTS AND SERVICES, HOWEVER ARISING, SHALL BE LIMITED TO \$7,500,000 (SEVEN MILLION FIVE HUNDRED THOUSAND US DOLLARS) IN TOTAL, IN RESPECT OF ALL CLAIMS.



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- 13.4 WITHOUT PREJUDICE TO THE OTHER LIMITATIONS ON SONARDYNE'S LIABILITY IN THE CONTRACT BUT SUBJECT TO CLAUSES 13.3 (PHYSICAL DAMAGE) AND 13.7, THE LIABILITY OF SONARDYNE FOR ANY CLAIMS ARISING OUT OF OR IN CONNECTION WITH THE CONTRACT, THE PRODUCTS AND THE SERVICES, HOWEVER ARISING, SHALL BE LIMITED IN RESPECT OF ALL CLAIMS IN AGGREGATE TO A SUM EQUAL TO 100% OF THE PRICE PAYABLE (EXCLUSIVE OF SALES TAXES) BY THE CUSTOMER FOR THE RELEVANT PRODUCTS AND/OR SERVICES UNDER THE CONTRACT GIVING RISE TO THE CLAIM, OR \$1.5 MILLION (ONE AND A HALF MILLION US DOLLARS), WHICHEVER IS THE LESSER.
- 13.5 WITHOUT PREJUDICE TO CLAUSE 13.7, SONARDYNE SHALL NOT, UNDER ANY CIRCUMSTANCES WHATEVER, BE LIABLE, HOWEVER ARISING FOR ANY:
- 13.5.1 DIRECT OR INDIRECT LOSS OF OR DAMAGE TO:
- 13.5.1.1 PROFIT OR REVENUES; OR
  - 13.5.1.2 GOODWILL OR DAMAGE TO REPUTATION; OR
  - 13.5.1.3 BUSINESS; OR
  - 13.5.1.4 PRODUCTION; OR
  - 13.5.1.5 BUSINESS OPPORTUNITY; OR
  - 13.5.1.6 BARGAIN; OR
  - 13.5.1.7 ANTICIPATED SAVING; OR
  - 13.5.1.8 DATA, OR FOR CORRUPTION OF DATA OR INFORMATION; OR
  - 13.5.1.9 THE COST OF DETACHMENT, DECOMMISSIONING AND RETREIVAL OF ANY DEFECTIVE PRODUCTS AND THE REATTACHMENT OR COMMISSIONING OF ANY REPAIRED OR REPLACED PRODUCTS OR ITEMS; OR
  - 13.5.1.10 ANY COSTS AND LIABILITIES ARISING FROM POLLUTION OR ENVIRONMENTAL DAMAGE CAUSED DIRECTLY OR INDIRECTLY BY THE PRODUCTS; OR
- 13.5.2 INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE.
- 13.6 THE TERM "HOWEVER ARISING" WHEN USED OR REFERRED TO IN THIS CLAUSE 13 SHALL COVER ALL CAUSES AND ACTIONS GIVING RISE TO LIABILITY OF SONARDYNE ARISING OUT OF OR IN CONNECTION WITH THE CONTRACT OR THE PRODUCTS OR SERVICES:
- 13.6.1 WHETHER ARISING BY REASON OF ANY MISREPRESENTATION (WHETHER MADE AFTER, PRIOR TO AND/OR IN THE CONTRACT), NEGLIGENCE, BREACH OF STATUTORY DUTY, OTHER TORT, REPUDIATION, RENUNCIATION OR OTHER BREACH OF CONTRACT, RESTITUTION OR OTHERWISE;
  - 13.6.2 WHETHER ARISING UNDER ANY INDEMNITY OR HOLD HARMLESS PROVISION;
  - 13.6.3 WHETHER CAUSED BY ANY TOTAL OR PARTIAL FAILURE OR DELAY IN SUPPLY OF THE PRODUCTS OR BY ANY DEFECT IN HARDWARE, SOFTWARE OR MATERIALS;
  - 13.6.4 WHETHER CAUSED BY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; AND
  - 13.6.5 WHETHER DELIBERATE (BUT NOT WITH MALICIOUS INTENT) OR OTHERWISE, HOWEVER FUNDAMENTAL THE RESULT.
- 13.7 THE EXCLUSIONS AND LIMITATIONS OF LIABILITY CONTAINED IN THESE TERMS AND IN THE CONTRACT SHALL BE EFFECTIVE TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, REGARDLESS OF WHETHER THE LOSS OR DAMAGE WAS FORESEEABLE OR WHETHER THE CUSTOMER NOTIFIES SONARDYNE OF THE POSSIBILITY OF ANY GREATER LOSS OR DAMAGE.
- 13.8 THE CUSTOMER SHALL INDEMNIFY, DEFEND, HOLD HARMLESS AND RELEASE SONARDYNE AND ALL SONARDYNE PERSONNEL AT ALL TIMES AGAINST ALL CLAIMS, DEMANDS, COSTS (INCLUDING LEGAL COSTS ON A FULL INDEMNITY BASIS) EXPENSES, LOSSES AND LIABILITIES INCURRED BY SONARDYNE AND SONARDYNE PERSONNEL:
- 13.8.1 TO THE EXTENT CAUSED BY FOLLOWING THE CUSTOMER'S SPECIFICATION, DESIGN OR OTHER INSTRUCTIONS; AND
  - 13.8.2 IN RELATION TO ANY CLAIMS BY THIRD PARTIES ARISING IN CONNECTION WITH A CONTRACT, OR AS A RESULT OF SONARDYNE PROVIDING THE PRODUCTS OR SERVICES, WHICH ARE IN EXCESS OF THE LIABILITY OF SONARDYNE AS DESCRIBED IN THESE TERMS AND THE RELEVANT CONTRACT, IN PARTICULAR IN THIS CLAUSE 13.
- 13.9 THE CUSTOMER ACKNOWLEDGES:
- 13.9.1 THE POTENTIAL LOSSES, DAMAGES OR CLAIMS WHICH THE CUSTOMER MAY SUFFER AS A RESULT OF ANY BREACH OF THE CONTRACT OR OTHER DEFAULT BY

## SUPPLY OF PRODUCTS AND SERVICES TERMS

SONARDYNE ARE MORE READILY ASCERTAINABLE BY THE CUSTOMER THAN BY SONARDYNE;

- 13.9.2 SUCH LOSSES, DAMAGES AND CLAIMS MAY GREATLY EXCEED THE SUMS PAID UNDER THE CONTRACT AND SONARDYNE HAS AGREED TO THE PRICE ONLY ON THE BASIS THAT IT LIMITS ITS LIABILITY IN THE MANNER STATED IN THESE TERMS;
- 13.9.3 THAT THE PRICE OF THE PRODUCTS PROVIDED FOR UNDER THE CONTRACT REFLECTS THE EXCLUSIONS AND LIMITATIONS ON SONARDYNE'S LIABILITY, AND THAT THE CUSTOMER HAD THE OPPORTUNITY TO NEGOTIATE VARIATIONS TO THE EXCLUSIONS AND LIMITATIONS UPON THE AGREEMENT OF A HIGHER PRICE;
- 13.9.4 THE CUSTOMER MUST CONSIDER INSURING ANY LIABILITY NOT ACCEPTED BY SONARDYNE UNDER THIS AGREEMENT AND AGREES THAT IT IS RESPONSIBLE FOR TAKING LEGAL ADVICE ON THE LIMITS ON SONARDYNE'S LIABILITY;
- 13.9.5 THE PARTIES AGREE THAT SUCH LIMITS ARE FAIR AND REASONABLE IN ALL OF THE CIRCUMSTANCES; AND
- 13.9.6 NOTHING IN THESE TERMS OR ANY CONTRACT SHALL RESTRICT OR LIMIT THE CUSTOMER'S GENERAL OBLIGATION AT LAW TO MITIGATE A LOSS WHICH IT MAY SUFFER OR INCUR AS A RESULT OF A MATTER THAT MAY GIVE RISE TO A CLAIM UNDER AN INDEMNITY AND HOLD HARMLESS PROVISION OR OTHERWISE.

### 14 ASSIGNMENT AND SUB-CONTRACTING

The Customer may not assign or transfer or sub-contract any of its rights, benefits or obligations under the Contract without the prior written consent of Sonardyne. Sonardyne may subcontract the performance of any of its obligations under a Contract to its parent or other Affiliate.

### 15 INTELLECTUAL PROPERTY RIGHTS

- 15.1 All Intellectual Property Rights in the Products shall at all times remain vested in Sonardyne or the owner thereof. All Intellectual Property Rights arising out of Services shall at all times remain vested in Sonardyne. The purchase of the Products by the Customer does not transfer any rights whatsoever to the design of or Intellectual Property Rights in the Products, nor does the Customer have any licence to duplicate, manufacture or copy the Products or any of the supporting documentation supplied by Sonardyne other than strictly as stated in this clause 15 or, with regard to Software, in clause 17.
- 15.2 All drawings, designs, samples and technical and other Confidential Information and materials whatsoever supplied by Sonardyne at any time remain Sonardyne's exclusive property, must be returned upon demand, must be treated as confidential, and must not be loaned, copied or otherwise used without the consent in writing of Sonardyne except that any obligations contained in this clause shall not prevent any disclosure of Confidential Information which is required by law or court order.

### 16 INTELLECTUAL PROPERTY RIGHTS INDEMNITY

- 16.1 Subject to the provisions of clause 16.2, Sonardyne undertakes at its own expense to defend the Customer or, at Sonardyne's option, settle, any claim or action brought against the Customer alleging that the possession or use of any Equipment or Sonardyne Software, (or any part thereof) in accordance with these Terms infringes any Intellectual Property Rights of a third party which exist in the United Kingdom and shall be responsible for any damages, costs (including legal fees) and expenses awarded against the Customer as a result of or in connection with such claim.
- 16.2 The provisions of clause 16.1 above shall not apply to an infringement claim which is attributable to:
  - 16.2.1 possession, use, development, modification or maintenance of the Equipment or the Sonardyne Software (or any part thereof) by the Customer other than in accordance with these Terms;
  - 16.2.2 use of a non-current release or version of the Sonardyne Software (including a failure to use or accept any modification or update or upgrade made available by Sonardyne);
  - 16.2.3 use of Equipment or the Sonardyne Software in combination with any product not provided by Sonardyne;
  - 16.2.4 reliance on any specification, information or coding provided by or on behalf of the Customer; or
  - 16.2.5 use of the Equipment or Sonardyne Software other than for its normal use as envisaged by the applicable Specification.
- 16.3 The provisions of clause 16.1 shall not apply to an infringement claim unless the Customer:
  - 16.3.1 promptly informs Sonardyne of any actual, potential, threatened or alleged infringement or claim;
  - 16.3.2 allows Sonardyne to conduct and/or settle all negotiations, proceedings and litigation (including Alternative Dispute Resolution) and does not make any admission as to liability or compromise

## SUPPLY OF PRODUCTS AND SERVICES TERMS

- or agree to any settlement of any infringement claim without the prior written consent of Sonardyne; and
- 16.3.3 provides all assistance and information reasonably required by Sonardyne in connection with any potential or actual claim and shall, if Sonardyne so requests, join in any court or other proceedings relating to such infringement.
- 16.4 If any infringement claim is made, or in Sonardyne's reasonable opinion is likely to be made, against the Customer, Sonardyne may at its sole option and expense:
- 16.4.1 procure for the Customer the right to continue using the affected Equipment or Sonardyne Software (or any part thereof) in accordance with these Terms; or
- 16.4.2 modify the Equipment or Sonardyne Software so that it ceases to be infringing; or
- 16.4.3 replace the Equipment or Sonardyne Software with non-infringing Equipment or Sonardyne Software; or
- 16.4.4 accept a return of the Equipment or Sonardyne Software and upon such return, refund the Price paid by the Customer for the returned items less a prorated amount that assumes a useful life of the affected Equipment and Sonardyne Software of five years.

## 17 USE OF SOFTWARE

- 17.1 In consideration of the payment of the Price by the Customer to Sonardyne, Sonardyne grants to the Customer a personal, non-exclusive licence to use the Sonardyne Software in object code form (only) in accordance with these Terms and any specific terms of the Contract including limitations on the use of the Sonardyne Software.
- 17.2 The Customer agrees not to:
- 17.2.1 make any copies of the Sonardyne Software (in any form or media) except where such copying is incidental to the permitted use of the Sonardyne Software by the Customer or where it is necessary for usual back-up or operational security;
- 17.2.2 make the Sonardyne Software or any copies of it available in any way to any third party, and in particular the Customer agrees not to share with or sub-licence, transfer, hire, rent, lease, or loan the Sonardyne Software to any third party, except where embedded in Equipment or otherwise permitted in writing by Sonardyne and in each case in accordance with the terms of this clause 17 including especially clause 17.3.2 below;
- 17.2.3 adapt, vary, modify or alter the whole or any part of the Sonardyne Software or combine, merge or incorporate the Sonardyne Software into any other program;
- 17.2.4 disassemble, decompile, reverse engineer or create derivative works based on the whole or any part of the Sonardyne Software nor attempt to do any such things except to the extent that such actions cannot be prohibited in order to achieve inter-operability with another program under Applicable Law, including without limitation, Section 296A of the UK Copyright, Designs and Patents Act 1988 and provided the information obtained by the Customer during such activities:
- 17.2.4.1 is used only for the purpose of achieving such inter-operability;
- 17.2.4.2 is not disclosed or communicated to any third party without Sonardyne's prior written agreement;
- 17.2.4.3 without affecting the general nature of this provision, is not used to create any software which is substantially similar to the Sonardyne Software.
- 17.3 The Customer further agrees to:
- 17.3.1 keep all means of access and/or passwords required to access or use the Sonardyne Software and all copies of the Sonardyne Software secure;
- 17.3.2 ensure compliance with these Terms by the Customer's and its Affiliates' Personnel who have access to the same and to pass on the obligation to comply with the terms of this clause 17 by all parties to whom the Sonardyne Software is legitimately shared, sub-licenced, transferred, hired, rented, leased, or loaned under clause 17.2.2; and
- 17.3.3 include such branding, trademarks and copyright notices of Sonardyne on the Sonardyne Software as Sonardyne shall require.
- 17.4 The Customer shall permit Sonardyne to inspect and have access to any premises or vessel and to the computer equipment and systems located there, at or on which the Sonardyne Software is being kept or used, and any relevant records, for the purposes of ensuring that the Customer is complying with the terms of these Terms, provided that Sonardyne provides reasonable advance notice to the Customer of such inspections, which shall take place at reasonable times.

## SUPPLY OF PRODUCTS AND SERVICES TERMS

17.5 The Customer acknowledges it has no right to have any access to the Sonardyne Software in source code form, or in unlocked coding of any kind. The Customer agrees that it must not attempt in any way to remove or circumvent any security devices present within the Sonardyne Software which are intended to protect the facility and integrity of the Sonardyne Software and the Customer agrees not to use any systems, processes, hardware or software in connection with the Sonardyne Software which are intended to circumvent such protections.

17.6 With respect to any Third Party Software, the Customer accepts the terms of the applicable third parties' licences and maintenance agreements and shall only use the Third Party Software in accordance with the requirements of such licences and agreements. The Customer acknowledges that (without prejudice to clause 4.1.3) Sonardyne is not responsible for the functioning or performance of any Third Party Software or for any infringement claim caused by the use of Third Party Software and it is the responsibility of the Customer to enforce any rights and remedies it has under the terms of the said licence and maintenance agreements against the relevant third party.

With respect to Third Party Software that originates from Microsoft, such Third Party Software is provided subject to the relevant Microsoft End User Licence Agreement copies of which can be found at:

Windows 10 [https://www.microsoft.com/en-us/Useterms/OEM/Windows/10/Useterms\\_OEM\\_Windows\\_10\\_English.htm](https://www.microsoft.com/en-us/Useterms/OEM/Windows/10/Useterms_OEM_Windows_10_English.htm)

17.7 Where no separate third party licence agreement with regard to any specific Third Party Software is provided to the Customer in accordance with clause 17.6, or such license terms are not contained within the Contract, then with regard only to such specific Third Party Software, the license provisions of clauses 17.1 to 17.5 shall apply as if in clauses 17.1 to 17.5 the definition "Sonardyne Software" reads "Sonardyne Software and Third Party Software".

## 18 CUSTOMER'S PROPERTY

Sonardyne will take reasonable care of any of the Customer's property which may be in its custody.

## 19 CONFIDENTIALITY

19.1 Each party undertakes that it shall not at any time during the Contract and after termination disclose to any person the Confidential Information of the other party, except as permitted by clause 19.2, and shall only use the other party's Confidential Information as required to fulfil a Contract or to exercise its rights under it.

19.2 Each party may disclose the other party's Confidential Information:

19.2.1 to its Representatives (and in the case of Sonardyne to its parent or other Affiliate and their Representatives) who need to know such information for the purposes of carrying out that party's obligations under the Contract, provided that the disclosing party takes all reasonable steps to ensure that its Representatives (and in the case of Sonardyne to its parent or other Affiliate and their Representatives) comply with the confidentiality obligations contained in this clause 19 as though they were a party to the Contract. The disclosing party shall be responsible for its Representatives' (and in the case of Sonardyne its parent or other Affiliate and their Representatives) compliance with the confidentiality obligations set out in this clause; or

19.2.2 with the disclosing party's prior written agreement; or

19.2.3 as may be required by law, court order or any governmental or regulatory authority.

19.3 Each party reserves all rights in its Confidential Information. No rights or obligations in respect of a party's Confidential Information other than those expressly stated in the Contract are granted to the other party or to be implied from the Contract. In particular, no licence is hereby granted directly or indirectly under any patent, invention, discovery, copyright or other intellectual property right held, made, obtained or licensable by either party now or in the future.

## 20 COMMENCEMENT AND TERM

Each Contract shall commence on its Commencement Date and shall remain in effect for any Contract Term stated in it, or if none, until all obligations of the parties under the Contract have been performed in full or until the Contract is terminated in accordance with clause 22 (Termination) (or in accordance with any other term of the Contract permitting termination).

## 21 OVERSEAS OBLIGATIONS

21.1 The Customer shall be responsible for complying with any legislation or regulations governing the importation of the Products into the country of destination and for the payment of any applicable duties and levies.

## SUPPLY OF PRODUCTS AND SERVICES TERMS

- 21.2 Sonardyne shall be under no obligation to give notice under Section 32(3) of the UK Sale of Goods Act 1979 or similar provision under any Applicable Law
- 21.3 The Customer acknowledges that the export of the Products may be subject to the export control regulations of the United States of America, the UK and /or other applicable jurisdictions and agrees as a condition of the Agreement that the Products will not be used in contravention of the terms of any applicable governmental export control or other regulations, licence, consent or permit under Applicable Law.
- 21.4 In the event that any requisite governmental licence, consent or permit or other authorisation is delayed or cannot be obtained in fulfilment of any order under the Agreement, Sonardyne shall not be liable to the Customer in respect of any loss, damage or other resultant financial penalty.

## 22 TERMINATION

- 22.1 Each party to a Contract shall be entitled to terminate the Contract with immediate effect by giving written notice to the other if:
- 22.1.1 that other party fails to pay any undisputed amount due under the Contract on the required payment date (being the 'Due Date' in relation to sums owed by the Customer) and remains in default not less than 10 Business Days after being notified in writing to make such payment; or
- 22.1.2 that other party ceases trading, commences or is required to commence or participates in any activity associated with debt rescheduling, administration, bankruptcy, liquidation or winding up of the other party or other party's Affiliates or subject to an attachment order on any part of its assets and such attachment order is not discharged within 14 days; or
- 22.1.3 that other party commits a material breach of its obligations under the Contract and (if such breach is remediable) fails to remedy that breach within a period of 30 days after receipt of notice in writing requiring it to do so; or
- 22.1.4 any Force Majeure Event prevents Sonardyne from performing its obligations under the Contract for any continuous period of three months.
- 22.2 If any of the circumstances in clauses 22.1.1 or 22.1.2 occur, this shall be a material breach of obligations for the purposes of clause 22.1.3.
- 22.3 Termination of a Contract shall not prejudice any of the parties' rights and remedies which have accrued under the Contract as at termination.

## 23 OBLIGATIONS ON TERMINATION

- 23.1 On termination of the Contract the whole Price of all Products and Services bought or agreed to be bought by the Customer shall be immediately payable without demand.
- 23.2 Additionally, on termination of the Contract each party shall promptly:
- 23.2.1 return to the other party all equipment, materials and property belonging to the other party that the other party had supplied to it or its Affiliates in connection with the supply and purchase of the Products under the Contract;
- 23.2.2 return to the other party all documents and materials (and any copies) containing the other party's Confidential Information;
- 23.2.3 erase all the other party's Confidential Information from its computer systems (to the extent possible); and
- 23.2.4 on request, certify in writing to the other party that it has complied with the requirements of this clause.

## 24 ANTI-BRIBERY

- 24.1 The Customer shall:
- 24.1.1 not engage in any activity which could constitute bribery or corruption and shall comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to (i) applicable anti-corruption laws of the United States or the country of the incorporation of the Customer or any of its parent companies; (ii) the UK Bribery Act 2010; (iii) the U.S. Foreign Corrupt Practices Act; or (iv) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries ("Relevant Requirements");
- 24.1.2 act so as not to put Sonardyne, or its Affiliates or Representatives in breach of Sonardyne's anti-corruption policies which can be found at <https://www.sonardyne.com/ethics/anti-bribery-policy/> and, where relevant, procedures notified from time to time ("Relevant Policies");

## SUPPLY OF PRODUCTS AND SERVICES TERMS

- 24.1.3 have and shall maintain in place throughout the term of the Contract its own policies and procedures, including adequate procedures to ensure compliance with the Relevant Requirements;
  - 24.1.4 promptly report to Sonardyne any request or demand for any undue financial or other advantage of any kind received by the Customer in connection with the performance of the Contract;
  - 24.1.5 immediately notify Sonardyne (in writing) if a foreign public official becomes an officer or employee of the Customer or acquires a direct or indirect interest in the Customer (and the Customer warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of the Contract);
  - 24.1.6 from time to time if required by Sonardyne confirm in writing it has complied with clauses 24.1.1 to 24.1.5 and provide information reasonably required by Sonardyne in support of such compliance and provide all assistance to Sonardyne with any investigation in respect of the Relevant Requirements;
  - 24.1.7 promptly report to Sonardyne if it is the subject of any investigation, inquiry, or enforcement proceedings or is debarred or suspended by any governmental, administrative or regulatory body regarding any offence or alleged offence under the Relevant Requirements.
- 24.2 The Customer shall ensure that any person associated with it in connection with the Contract does so on the basis of a written contract which imposes terms equivalent to those imposed on the Customer under this clause 24. The Customer shall be responsible for the observance and performance of such persons, and shall be directly liable to Sonardyne for any breach by such persons.
- 24.3 Notwithstanding any other terms of the Contract and without prejudice to any accrued rights it may have under the Contract or otherwise, Sonardyne shall be entitled to suspend performance of the Contract in whole or in part with immediate effect if at any time the Customer is in breach of clause 24.1 or 24.2 of the Contract or any of the events referred to in clause 24.1.1, 24.1.4 or 24.1.7 occur or are alleged and, in the opinion of Sonardyne, are prejudicial to Sonardyne's interests.
- 24.4 For the purpose of this clause 24, the meaning of "adequate procedures" and whether a person is "associated with" another person shall be determined in accordance with (i) applicable anti-corruption laws of the United States or the country of incorporation of the Customer or any of its parent companies; (ii) the UK Bribery Act 2010 and any related guidance issued pursuant to that Act; (iii) the U.S. Foreign Corrupt Practices Act; or (iv) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries;.
- 24.5 The Customer shall indemnify, defend and hold harmless and keep Sonardyne indemnified against all sums suffered or incurred by Sonardyne and its Affiliates in respect of all and any demands, liabilities, expenses, claims (including but not limited to any settlements of claims whether before or after the issue of proceedings), judgment sums (including but not limited to sums arising from consent orders or judgments), damages, direct, indirect or consequential losses, costs (including but not limited to legal and other professional costs) suffered or incurred by Sonardyne and its Affiliates arising out of or in connection with any breach of any of the provisions of clause 24.1 or 24.2 by the Customer.

## 25 SURVIVAL OF OBLIGATIONS

Any term which is intended, expressly or impliedly, to continue, or to come into effect on termination or expiry of the Contract shall continue in effect (or come into effect) on such termination or expiry and the following clauses are expressly agreed to survive and continue in full force and effect following expiry or termination:

- 25.1 clause 12 (Insurance);
- 25.2 clause 13 (Liability);
- 25.3 clause 15 (Intellectual Property Rights);
- 25.4 clause 17 (Use of Software);
- 25.5 clause 19 (Confidentiality);
- 25.6 clause 23 (Obligations on Termination);
- 25.7 clause 32 (Governing Law and Jurisdiction).

## 26 FORCE MAJEURE

- 26.1 Neither party (or any person acting on its behalf) shall have any liability or responsibility for failure to fulfil any obligation under the Contract so long as and to the extent to which the fulfilment of such obligation is prevented, frustrated, hindered or delayed as a consequence of a Force Majeure Event.

## SUPPLY OF PRODUCTS AND SERVICES TERMS

- 26.2 A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of a Force Majeure Event:
- 26.2.1 notify the other party of the nature and extent of such Force Majeure Event; and
  - 26.2.2 use all reasonable endeavours to remove any such causes and resume performance under the Contract as soon as feasible.

### 27 SEVERANCE

- 27.1 If any provision of the Contract (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.
- 27.2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

### 28 VARIATION AND WAIVER

- 28.1 Any variation of the Contract must be in writing and signed by or on behalf of the parties. Any such variation may result in an amendment to the applicable Price or Delivery Dates.
- 28.2 Any waiver of any right under the Contract is only effective if it is in writing and signed by or on behalf of the party and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given.
- 28.3 No failure to exercise or delay in exercising any right or remedy provided under the Contract or by law constitutes a waiver of such right or remedy nor shall it prevent any future exercise or enforcement of such right or remedy.
- 28.4 No single or partial exercise of any right or remedy under the Contract shall prevent or restrict the further exercise of that or any other right or remedy.

### 29 NOTICES

- 29.1 A notice served under the Contract shall (except as otherwise permitted under these Terms) be:
- 29.1.1 in writing in the English language;
  - 29.1.2 signed by or on behalf of the party giving it; and
  - 29.1.3 sent for the attention of the President or General Manager
- 29.2 Unless provided otherwise in the Contract, the address for service of notices on Sonardyne is Sonardyne Inc. Suite 130, 8280 Willow Place Drive, Houston, Texas, 77070 USA
- 29.3 The address or other details for service of notices on the Customer shall be as set out in the Contract, or if not so set out, the Customer's usual place of business.
- 29.4 A notice under clause 29.1 shall be served by personal delivery at, or by sending it by courier or pre-paid first class post (or international equivalent) or recorded delivery to, the intended recipient's address. The address of a party for service of notices may be changed by notice given in accordance with this clause. A notice is deemed to be received when served by personal delivery at the recipient's address or, if sent by courier or pre-paid first class post (or international equivalent) or recorded delivery, three Business Days from the date of despatch or posting.

### 30 ENTIRE AGREEMENT

- 30.1 The Contract and the documents referred to in it constitute the whole agreement and understanding of the parties and supersede any previous arrangement, understanding or agreement between them relating to the subject matter of the Contract.
- 30.2 Each of the parties to the Contract acknowledges and agrees that:
- 30.2.1 in entering into the Contract it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty (in each case whether negligently or innocently made) or understanding of any person (whether party to the Contract or not) which is not expressly set out in the Contract; and
  - 30.2.2 the only remedy available to it for breach of any statement, representation, warranty or other term which is expressly set out in the Contract shall be for breach of contract under the terms of the Contract.
- 30.3 Nothing in this clause 30 shall, however, operate to limit or exclude any liability for fraud or fraudulent misrepresentation.

## SUPPLY OF PRODUCTS AND SERVICES TERMS

### 31 RIGHTS OF THIRD PARTIES

No person who is not a party to the Contract has any rights under the Contract or may enforce any provision in the Contract.

### 32 GOVERNING LAW AND JURISDICTION

- 32.1 The Contract and any dispute or claim arising out of or in connection with it or its subject matter, formation or existence (including non-contractual disputes or claims) shall be governed by and construed and interpreted in accordance with the laws of the State of Texas, excluding any conflicts of law principles that would direct the substantive law of another jurisdiction to apply.
- 32.2 The parties irrevocably agree that the Texas courts shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Contract, its subject matter, formation or existence (including non-contractual disputes or claims). Exclusive jurisdiction over any litigation arising out of the Contract shall lie in the U.S. District Court in Harris County, Texas.