

## General Standard Terms and Conditions for Lease (Version 6: 01-2011)

For deliveries and other performances of Maats European Pipeline Rentals B.V. (hereafter Lessor) as well as for payments to Lessor only the following stated "General Standard Terms and Conditions for Lease" are applicable. Regarding these conditions and in case of not explicit regulated conditions only the established and valid Dutch law is applicable. Divergent conditions of Lessee are only valid in case Lessor has accepted and approved these in writing. With the acknowledged receipt of the leased equipment and/or other performances from Lessor, Lessee accepts these "General Standard Terms and Conditions for Lease" and excludes any of its own conditions.

When mutually agreed, documents such as invoices will only be sent by email.

### 1. Proposals

All proposals are subject to change without notice and without engagement. All equipment offered in Lessor's proposals is subject to prior sale and/or lease. All documents attached to proposals such as drawings, pictures, dimensions, weights, capacities do only contain approximate details. The validity of all proposals expires 21 days after proposal date.

### 2. Prices and Taxes

All prices are "Free Carrier" Goor, The Netherlands ("FCA", according to INCOTERMS © 2010) excluding VAT, documentation and packaging. "Prices for lease" (hereafter rent) are on a daily basis and are valid for each calendar day of lease for the specified equipment during the period of lease (provision 6). All taxes or duties levied outside The Netherlands are the sole responsibility of Lessee.

### 3. Order acceptance

Orders are only accepted, as soon as confirmed in writing by Lessor. Commitments and ancillaries of Lessor's personnel in other form than in writing are not valid.

With the acceptance of orders, Lessor keeps the provision of changes due to substantial, especially design-and-development-related reasons.

### 4. Insurance

Lessee shall conclude an insurance contract for the leased equipment at its own costs for the period of lease (provision 6) with the conditions described below against any kind of damages and furnish a copy of the insurance policy as well as the certificates of the insurance, stating all terms and conditions covered under the insurance to Lessor prior to the period of lease.

During the period of lease, even whilst in care of third parties such as transport or haulage contractor, all theft and loss of the equipment as well as damages resulting from force majeure shall always be for the account of Lessee. The equipment has to be insured for the re-investment value stated by Lessor. If re-investment value is not stated in Lessor's proposal or order acceptance, Lessee has the obligation to ask for a written statement of this value.

Lessee shall provide and maintain Commercial General Liability and other necessary insurances, including blanket contractual insurance, to protect Lessor continuously during the period of lease from any and all claims for bodily injury, death or property damage, including loss of the use hereof, made or arising out of the operation, handling or transportation of the leased equipment, with limits of liability not less than € 5.000.000 combined single limit per occurrence and general aggregate.

Such insurance shall be endorsed to include Lessor as an additional insured with a waiver of any right of subrogation against Lessor.

Lessee shall provide and maintain during the period of lease a marine and/or inland marine insurance on an "all risk basis", including room and board coverage, theft and machinery breakdown as well as coverage against strike, lock-out, civil commotion, with malicious damage, terrorism and sabotage on all equipment with limits of coverage equal to the value stated in the equipment list, which is an integral part of the lease agreement (new value + transportation + erection + duties/taxes/customs, etc.) or in the by Lessor accepted order. The re-investment value is the costs of the new model machine which has the capacity to produce the same work of the former machine with at least the same efficiency.

The insurance shall also be endorsed to appoint Lessor as beneficiary for the amounts as stated in the equipment list, which is an integral part of the lease agreement or in the by Lessor accepted order without any deduction in case an occurrence results in a total loss of the equipment.

Lessee shall provide and maintain an extra coverage for hull risk providing

insurance for loss of or damage to the equipment caused as a result of flood, earthquake, inundation, land- and/ or rockslide, etc.

In case Lessor insures the equipment on behalf of Lessee, the insurance excess provision that Lessee will remain liable for EURO 12.500,- per single limit occurrence is valid.

### 5. Delivery (passage of risk) and Transportation

With all deliveries, the passage of risk is according "Free Carrier" Goor, The Netherlands ("FCA", according to INCOTERMS ©2010) i.e. the moment goods have been loaded on Lessee's carrier. In case of a possibly agreed dispatch order the passage of risk is enforced with handing over the equipment to the haulage contractor.

Lessee has the obligation to arrange appropriate transportation to and from site at its own costs, including documentations and duties. In case packaging is necessary, Lessor will arrange this for the account of and charge to Lessee.

In case it is agreed that Lessor shall arrange (part of) transportation to and from site, all related costs, including documentation, duties and packaging will be charged to Lessee and a new delivery term is to be agreed.

Lessee is responsible for rigging and de-rigging of leased equipment.

**In case of overseas transportation all equipment is to be shipped below deck only.**

### 6. Period of Lease

The minimum period of lease (excluding transportation period) is at least ninety (90) days. The period of lease will commence from the time the equipment leaves Lessor's premises and will cease from the time the equipment is returned to Lessor's premises, provided that the equipment is returned in a clean and working condition.

In case the equipment is returned during the minimum period of lease, the period of lease will continue until the end of the minimum period of lease has been reached.

Lessee has the obligation to ask Lessor in case Lessee wants to exceed the agreed period of lease. If Lessor confirms in writing that the lease can continue for a certain period, lease will continue on a monthly basis with the same terms and conditions as agreed upon before. Lessee is not allowed to exceed the agreed period of lease without the permission in writing by Lessor.

In case of any overrun of the period of lease without the written permission of Lessor, Lessor is entitled – without the obligation to give prior notice – to collect the equipment and to charge Lessee for all related costs, including the costs of consequential damages. Lessor has the obligation of the proof of loss and the doctrine of avoidable consequences. The right of any form of claims by Lessee due to this proceeding is out of the question.

### 7. Liability

Lessor will accept no liability or responsibility for consequential loss or damage, including loss of business or revenue due to or arising from late delivery, breakdown or stoppage of the plant or equipment through any causes whatsoever including unloading and loading operations.

Lessee shall make good to Lessor loss or damage to the plant or equipment from whatever cause the same may arise, normal wear and tear excepted, and shall also fully and completely indemnify Lessor in respect of all claims by any person whatsoever for injury to the person or property caused by or in connection with or arising out of the use of the plant or equipment and in respect of all the costs and charges in connection therewith whether arising under statute or common law. In event of loss of or damage to the plant or equipment, the rent shall be continued until settlement has been effected.

### 8. Use, repair & maintenance

All equipment is only to be used according manufacturer's purposes, has to be treated carefully, maintained properly, is only to be operated by a competent operator and has to be returned in the same condition as it was received, except for normal wear and tear. Operating manual, spare parts manual and cable certificates or copies hereof will be sent to Lessee at the start of the project. Missing operating and spare parts manuals at the end of the project will be charged to Lessee. The rental rates are valid for a maximum usage of 220 working hours per month. After each month of rental, Lessee will report to Lessor the conducted services and working hours by stating the hour meter readings of the equipment.

The cost of replacement of wire ropes or undercarriages/tyres due to damage other than normal wear and tear is not included in the rent. General Service and maintenance of the equipment including recommended greases and lubricants are the responsibility of Lessee. Lessee will send a copy of the maintenance reports to Lessor.

In case of any breakdown during the rental period, Lessee is to report the breakdown in writing within 5 working days, indicating cause of breakdown, serial number and location of each piece of equipment. Provided breakdown is caused

by normal wear and tear, standstill will apply as from the date of breakdown. In case Lessee and Lessor disagree about the cause of breakdown, a third party's judgement is required and binding. Small repairs under the value of € 550,- conducted on the job-site are for the account of Lessee. Lessee is not allowed to conduct any repairs to the equipment without Lessor's explicit permission in case the costs of repair are for the account of Lessor. In case certain spare parts are not available locally for repairs that are due to normal wear and tear, Lessor will forward these free of charge, excluding transportation costs. In all other cases, all costs related to repairs and/or the breakdown of machines, including material, spare parts and technicians are within the responsibility of Lessee. For all repairs and services only OEM parts are to be used. Lessor reserves the right of daily inspection of the equipment. Lessor will assist in whatever way possible.

On request, Lessee will receive undercarriage reports of each crawler-type machine. Wear is based upon normal to heavy use of the equipment. Regarding undercarriages or parts thereof, normal wear and tear is understood as 1,5% for 100 working hours. In case wear turned out to be disproportionate, Lessor has the right to charge Lessee for the costs of repair or even exchange.

#### **9. Invoices, Payments, Default and Setoff**

Invoices for lease will be sent at the end of each month of lease, based upon the actual calendar days of the month. Unless agreed otherwise, payment of invoices for lease are due in cash within thirty (30) days after invoice date without any deduction and free of expenses as well as on a non-charge basis for Lessor.

Invoices for all other performances like transportation, special design and/or special modification of leased equipment, insurance costs and costs of repairs will be sent directly after these performances are executed. Payment of these invoices are in due course after receipt without any deduction and are free of expenses as well as on a non-charge basis for Lessor.

In case of any overrun of the period of payment, Lessor will charge from the due date onwards one percent (1%) of interest per month on the outstanding payment.

In case of any overrun of the period of payment for more than one (1) month, Lessor is entitled – without the obligation to give prior notice – to collect all outstanding payments via court proceedings for order to pay debts.

Furthermore, if this measure has to be taken during the period of lease, Lessor is entitled – without the obligation to give prior notice – to collect the equipment and to charge Lessee all related costs and to include these costs in total to the amount that will be collected via the above mentioned court proceedings for order to pay debts.

The right of retention of payments and any kind of set off from counterclaims that are contested by Lessor is out of the question.

Security of payments: Any contractual payments are to be secured by an irrevocable (Standby) Letter of Credit that is to be confirmed by Lessor's bank, unless agreed otherwise. Wording of the (Standby) Letter of Credit is to be approved by Lessor. The (Standby) Letter of Credit is to be valid for estimated rental duration + agreed payment term (days) + 30 days. In case the expiry date of the (Standby) Letter of Credit is to be overrun, Lessee has the obligation to assure that validity of any (Standby) Letter of Credit will be extended immediately, but at least 1 (one) month before expiry date of the (Standby) Letter of Credit.

#### **10. Separability**

Should any individual provision or any part of any provision be or become void, illegal or unenforceable, the validity of the remaining provisions hereof shall in no way be affected. In such case the void and/or unenforceable provision or provisions shall be replaced by relative provisions coming as close as possible to the sense and spirit and purpose of these "General Standard Terms and Conditions for Lease".

#### **11. General Provisions**

The equipment on lease, or any part of, shall not be sub let, re-leased or lent to any third party without permission in writing from Lessor.

Lessee is not empowered to assign any right that is established by the lease of equipment and/or the receipt of other performances to any third party without permission in writing from Lessor.

