

SMARTENGO STANDARD TERMS AND CONDITIONS FOR THE SALE OF GOODS
OIL & GAS MARKETS

1. Scope of Application

These terms and conditions of sale ("T&C") apply to all sales by our company ("Supplier") of goods destined to the exploration and production of oil and gas ("Goods"). They are binding on the buyer ("Buyer") and the Supplier (together the "Parties"). Any order placed with the Supplier ("Purchase Order") constitutes the acceptance by the Buyer of these T&C. These T&C form, together with the relevant Purchase Order (which has been executed on behalf of both Parties), the entire contract between the Supplier and the Buyer (the "Contract"). No amendment, changes or additional terms proposed by the Buyer to these T&C shall be incorporated in the Contract unless expressly accepted in writing by the Supplier. The terms of the Contract apply to the exclusion of any other terms that the Buyer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

2. Purchase Orders

Purchase Orders, including any amendments, supplements or specifications, become binding on the Supplier only after written acceptance by the Supplier. In the event of any inconsistencies between (i) these T&C and (ii) any special conditions set out in the Purchase Order or otherwise agreed upon between the Parties in writing, such special conditions shall prevail. A Purchase Order may not be cancelled by the Buyer in whole or in part without the prior written agreement of the Supplier. Upon receiving written agreement from the Supplier to such termination, the Supplier is entitled to payment by the Buyer of fair and reasonable costs incurred in connection with such termination.

3. Prices - Payment Terms

The prices of the Goods are set out in the Purchase Order. Unless otherwise agreed in writing in the Purchase Order, prices are stated FCA (as per Incoterms 2010), exclusive of tax or duties.

The Supplier may issue an interim invoice to the Buyer for the Goods on or at any time after the written acceptance of the Purchase Order. A final invoice shall be issued after completion of the delivery of the Goods (or as otherwise agreed between the Parties). Unless otherwise stated, payment must be made within 7 days from the date of the Supplier's interim invoice, by bank transfer to the bank account of the Supplier (as specified in the Contract or otherwise notified by the Supplier). No discount applies for early payment. In the event of any difference between the interim invoice and the final invoice, the payment of any outstanding amount must be made within 30 days from the date of the Supplier's final invoice, by bank transfer to the bank account of the Supplier and the reimbursement of any surplus amount must be made within 30 days from the date of the Supplier's final invoice, by bank transfer to the bank account of the Buyer (as notified by the Buyer). The Buyer is discharged of its payment obligations only upon receipt of all sums due in the bank account of the Supplier. Time of payment is of the essence.

Subject to any applicable mandatory law, any amounts outstanding after 30 days from the date of the invoice bear interest at the rate applied by the European Central Bank to its most recent main refinancing operations plus 10% per annum, calculated on a pro rata daily basis. Interest runs from the date on which the sum in question becomes due for payment in accordance with this Article 3 until the date on which the actual payment is made. The Supplier's right to claim interest is without prejudice to any other rights and remedies including, without limitation, the right to cancel all or part of the Contract, to suspend deliveries and to demand immediate payment for all Goods previously delivered. In addition to payment of interest, the Supplier is entitled to obtain compensation for reasonable recovery costs from the Buyer, which shall be no less than of 40€.

If, in the reasonable opinion of the Supplier, the Buyer's creditworthiness is or is likely to be compromised, the Supplier may request advance payment of all sums due, or any guarantee necessary to secure the payment of the Goods. If the Supplier does not obtain the requested guarantees, it may suspend or cancel all or part of the Contract without liability.

The Buyer may not set off or withhold payment of any amount payable under the Contract to the Supplier. The Supplier may at any time, without limiting any other rights or remedies it may have, set off any amount owing to it by the Buyer against any amount payable by the Supplier to the Buyer.

4. Quality – Inspection - Acceptance

The Buyer is solely responsible for the choice of the Goods and their specifications. Deviations from measurements, weight, quantity and quality are permissible within the limits of applicable standards or customary practice. The Supplier reserves the right to amend the specification of the Goods if required by any applicable statutory or regulatory requirements.

If the Parties have agreed that the Goods are to be inspected by the Buyer at the Supplier's premises, the Supplier shall give reasonable notice to the Buyer that the Goods are ready for inspection. If the Buyer, or its appointed representative, fails to show up for inspection on the date specified in the notice, the Supplier shall have the right to place the Goods in storage at the cost and risk of the Buyer and to invoice the Goods and storage costs to the Buyer pending release. The Buyer is solely responsible for the appointment and bears the full cost of any inspector.

The Buyer shall inspect the Goods within 15 days of delivery, failing which the Goods are deemed accepted and in conformity with the agreed specifications. The Buyer shall notify the Seller in writing of any non-conformity of the Goods without undue delay. Each claim, if any, shall set forth all relevant details. The Goods shall then be inspected jointly and the representatives of the Supplier shall be permitted to take such samples and make such investigations as the Supplier deems necessary.

5. Delivery – Transfer of Risks

All Goods are delivered FCA (as per Incoterms 2010) and unpacked, unless otherwise agreed in writing in the Purchase Order. The risk of the Goods passes to the Buyer in accordance with the applicable Incoterm. The Buyer must insure such risks accordingly. The Buyer is responsible for complying with all applicable laws and regulations concerning the importation and use of the Goods. The Buyer is responsible for making any claim or reservation to the carrier within the applicable time limit. In the event of a conflict between the Contract and Incoterms, the provisions of the Contract take precedence.

Delivery dates are estimates only. If the Supplier is unable to deliver the Goods or to make the Goods available at the Supplier's factory on the agreed delivery dates, the Supplier must promptly notify the Buyer of the delay. The Supplier and the Buyer shall discuss in good faith mutually acceptable revised delivery dates. In the absence of express agreement of the Supplier when the Purchase Order is placed, the Supplier is not liable for any damages, interest, indemnification or penalty for late delivery. If such an agreement is made, it shall be the sole and exclusive remedy available to the Buyer for such delayed delivery. The Supplier is entitled to make partial deliveries of the Goods.

If the Buyer does not take delivery of the Goods after having received the Supplier's ready-for-shipment notice, the Supplier may discharge its delivery obligations by placing the Goods in storage at the cost and risk of the Buyer and invoice the Goods and storage costs to the Buyer.

6. Intellectual Property Rights - Confidentiality

The Contract does not grant any right or licence, and no other right or licence is to be implied by, or inferred from, any provision of the Contract or by the conduct of the Parties, with respect to any intellectual property right, including without limitation, drawings, specifications, plans, models, samples, process, trade secret, know-how, patents or design of either Party. The Supplier remains the exclusive owner of all intellectual property rights relating to the Goods, or discovered by the Supplier as a result of, or incidental to, the performance of the Contract.

The Buyer shall keep strictly confidential, and may not disclose to any third party, nor use for any purpose other than the proper performance of the Contract, any information of whatever nature regarding the Supplier and/or the Goods.

The Buyer shall save, defend, indemnify and hold harmless the Supplier from all claims, losses, damages, costs (including legal costs), expenses and liabilities of every kind and nature for, or arising out of any alleged infringement of any patent or proprietary or protected right arising out of or in connection with the performance of the obligations of the Buyer under the Contract including without limitation the use by the Supplier of any technical information, instructions, materials or equipment provided by the Buyer. The indemnities given in this Article apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the Supplier or any other entity or party, and irrespective of whether any claim is based in tort, contract or otherwise at law.

7. Force Majeure

For the purposes of this Contract, an event of force majeure means any unforeseeable circumstance due to any cause beyond the reasonable control of either Party, (including, without limitation, flood, fire, governmental act or regulation, act of God, embargo, war, strike, lockout, labour interruption, shortage of labour, serious accident, breakdown or partial failure of plant or machinery, shortage of raw materials and/or means of transport or energy or any act or omission of any third party concerned with the manufacture, processing or delivery of the Goods) which occurs after the execution of the Contract and prevents the performance of all or part of it, provided however, that force majeure does not justify a suspension of payments for Goods already delivered.

The occurrence of an event of force majeure shall cause temporary suspension of the respective obligations of the Parties (with the exception of the Buyer's obligation to make payment to the Supplier pursuant to Article 3 of these T&C) for the duration of the continuing force majeure event (to the extent that the force majeure event precludes the Parties from performing such obligations), without any liability or compensation to either Party.

8. Title

Title to the Goods passes to the Buyer at the same time as risk.

9. Warranty

The Supplier warrants that the Goods will be manufactured in accordance with the agreed technical specifications. In the event that the Buyer notifies the Supplier of any material non conformity in the Goods ("Defect") within 12 months from installation or 18 months from the date of delivery, whichever is less, the Supplier will carry out correction work in respect of such Defects. Liability of the Supplier under this warranty is limited to repair or refund of the Defective Goods (by the Supplier), or delivery of replacement Goods at the agreed delivery point, at the Supplier's option.

The Supplier's warranty applicable to the original Goods also applies to the repaired or replaced Goods for a period of 12 months after completion of repair or replacement under this warranty, limited in any event to a maximum 24 months from the date of delivery of the original Goods.

Notwithstanding the foregoing, the Supplier is not liable for Goods' failure to comply with the warranty in any of the following events:

- (a) the Defect arises because the Buyer failed to follow the Supplier's oral or written instructions as to the storage, commissioning, installation, use and maintenance of the Goods or (if there are none) good trade practice regarding the same;
- (b) the Defect arises as a result of the Supplier following any drawing, design or specification supplied by the Buyer;
- (c) the Buyer alters or repairs such Goods without the written consent of the Supplier; or
- (d) the Defect arises as a result of normal wear and tear, wilful damage, negligence or abnormal storage or working conditions or any misuse of the Goods, including in particular damage resulting from rough handling, welding, incorrect connection make-up, or bad doping.

The Supplier's obligations under this article are the Buyer's sole and exclusive remedy with respect to defective Goods. The Supplier gives no other warranty or guarantee, express or implied, including (without limitation) any warranties of merchantability or fitness for a particular purpose, whether written or oral, or implied in fact or in law. All warranties, conditions or other terms implied by statute, common law, warranty, contract, tort (including negligence of any nature whether sole or concurrent) or otherwise are hereby excluded to the fullest extent permitted by law.

10. Limitation of Liability – Time-Barring of Legal Action

Notwithstanding any provisions to the contrary, the Supplier shall not have any liability to the Buyer for indirect, consequential, punitive, special, exemplary or other damages (including, without limitation, costs, expenses, fees (including legal fees), loss of use, pure economic loss, loss of profit, loss of business, loss of reserves, loss of data, loss of production, delayed production, standby time or business interruption), whether or not foreseeable at the effective date of the Contract (hereinafter "Consequential Loss"), or for any infringement of intellectual property rights of third parties. The Buyer shall save, indemnify, defend and hold harmless the Supplier's Group from the Buyer Group's own Consequential Loss arising from, relating to or in connection with the performance or nonperformance of the Contract. The indemnity given in this Article applies irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the Supplier or any other entity or party, and irrespective of whether any claim is based in tort, contract or otherwise at law.

Subject to the foregoing and save for the indemnities provided under Article 11 or to the extent this limitation is prohibited by law, the Supplier's total liability pursuant to the Contract whether by way of indemnity, for breach of contract, warranty or guarantee obligations or by reason of any tort (including but not limited to negligence), statute or otherwise shall in no event exceed the lower of 100% of the Purchase Order price (excluding VAT) or US\$ 1,000,000.

Any legal action on any grounds, whether based on warranty, tort, contract or otherwise at law, must be commenced by the Buyer within three months from the date of the end of the warranty period.

This Article 10 shall survive any termination, default, cancellation or any other discontinuance of the Contract.

11. Indemnification

11.1 The Supplier is responsible for and shall save, defend, indemnify and hold harmless the Buyer from and against any losses, liabilities, damages, claims, costs (including legal costs) and other expenses in respect of:

- (a) personal injury including death or disease to any person employed by the Supplier's Group arising from, relating to or in connection with the performance or non-performance of the Contract;
- (b) loss of or damage to the Supplier's Group's property (whether owned, leased or otherwise provided by the Supplier's Group) arising from, relating to or in connection with the performance or non-performance of the Contract; and
- (c) personal injury including death or disease or loss of or damage to the property of any Third Party if and to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the Supplier's Group.

11.2 The Buyer is responsible for and shall save, defend, indemnify and hold the Supplier harmless from and against any losses, liabilities, damages, claims, costs (including legal costs) and other expenses in respect of:

- (a) personal injury including death or disease to any person employed by the Buyer's Group arising from, relating to or in connection with the performance or non-performance of the Contract;
- (b) loss of or damage to the Buyer's Group's property (whether owned, leased or otherwise provided by the Buyer's Group) arising from, relating to or in connection with the performance or nonperformance of the Contract;
- (c) personal injury including death or disease or loss of or damage to the property of any Third Party if and to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the Buyer's Group;
- (d) subsurface damage, surface damage resulting from subsurface activities, damage from burning of hydrocarbons, whether to property or persons, including without limitation losses, costs or expenses arising from pollution, contamination, fire, blow-out, cratering, seepage, loss of control of well, reservoir damage or any other uncontrolled flow of oil, gas, water or other substance.

11.3 Unless expressly stated otherwise, the indemnities given in this article apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified party or any other entity or party and apply irrespective of whether any claim is based in tort, contract or otherwise at law.

11.4 For the purposes of the Contract: "Affiliate" means:

- (i) if the Party is a subsidiary of another company, the Party's ultimate holding company and any subsidiary (other than the Party itself) of the Party's ultimate holding company; or
- (ii) if the Party is not a subsidiary of another company, any subsidiary of the Party.

For the purpose of this definition "holding company" and "subsidiary" have the meanings given to those expressions in Section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in Sections 1159(1)(b) and (c) thereof, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee.

"Buyer's Group" means the Buyer, its co-venturers, its and their respective Affiliates and its and their respective directors, officers and employees (including agency personnel), but excludes any member of the Supplier's Group.

"Supplier's Group" means the Supplier, its subcontractors (of any tier), its and their Affiliates, its and their respective directors, officers and employees (including agency personnel), but excludes any member of the Buyer's Group.

"Third Party" means any party which is not a member of the Buyer's Group or the Supplier's Group.

11.5 The provisions of this Article 11 shall survive the termination of the Contract.

12. Applicable Law – Arbitration

These T&C and the Contract (inclusive of all non-contractual rights and claims) are governed by the laws of England and Wales. Disputes shall be finally settled by an arbitration Court, in accordance with the latest current version of the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. Arbitration proceedings shall be conducted in Paris, France, and in the English language. The decision of the arbitrators shall be final, binding and enforceable upon the Parties and judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. In the event that the failure of the Supplier or the Buyer to comply with the decision of the arbitrators requires either party to apply to any court for enforcement of such award, the non-complying party shall be liable to the other for all cost of such litigation including attorneys' fees.

13. Processing of Personal Data

13.1 Each Party is responsible for the processing of personal data (hereinafter "Personal Data") that it carries out in the context of its own activity and undertakes, in this respect, to comply with the applicable legislation and regulations in this domain.

13.2 As a result of the execution of these T&C, the Supplier shall collect and process Personal Data of natural persons (hereinafter referred to as "the Concerned Persons") relating to the Buyer in connection with the placing of each Purchase Order.

This Personal Data is used for the purposes of processing the aforementioned Purchase Order (management, monitoring, invoicing, etc.), as well as more generally, for the purposes of the proper implementation of these T&C, in particular in the event of a dispute between the Parties.

Personal Data is intended exclusively for the Supplier and will not be transmitted to third parties, with the exception of technical service providers and partners engaged by the Supplier for the purposes of the strict execution of these T&C, such as, where applicable, for the transport of Goods, the management of its computer system, the collection of invoices issued by the Supplier, as well as, where applicable, the legal and accounting service providers of the Supplier, which are subject to professional secrecy and/or an obligation of confidentiality of a contractual nature.

13.3 This Personal Data is that which is communicated by the Buyer to the Supplier, such as the name and surname of the person who placed the Purchase Order, the postal address, the electronic address as well as a telephone number. The electronic address may, where applicable, be used by the Supplier to send commercial prospecting e-mails, except in the event of notification of refusal to receive such messages on the placing the Purchase Order. In any event, the Concerned Persons may refuse to receive it each time they are sent.

13.4 Personal Data is retained by the Supplier for the duration of the commercial relationship. It may be archived for the time necessary to manage claims and disputes as well as to meet legal and/or regulatory obligations and/or further to respond to requests from the competent authorities.

13.5 In the event that no data transfer outside the European Union is to be carried out, this Personal Data is hosted within the European Union, by a service provider bound by security and confidentiality obligations provided for by law.

The Supplier is likely to transfer Personal Data to countries which are not members of the European Union and which have not been the subject of a European Commission protection adequacy decision. In this case, the Supplier shall ensure that this transfer is carried out in accordance with the laws and regulations in force by

taking all appropriate measures and in order, under appropriate legal, technical and operational conditions and guarantees, to ensure the confidentiality and security of this Personal Data.

13.6 The Concerned Persons have the right to request access to the personal data concerning themselves held by the Supplier, as well as the rectification or deletion thereof, or even the limitation of the processing in respect of the Concerned Persons as well as the right to oppose the processing and to define what shall happen to their data in the event of death. However, in the event of a limitation of or opposition to processing, the Supplier would then no longer be able to process any current or future Purchase Order of the Buyer. Any request to exercise the rights relating to the protection of Personal Data must be addressed to the Supplier in writing.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

14.1 Subject to Article 14.3, the Parties intend that no provision of the Contract shall, by virtue of the Contracts (Rights of Third Parties) Act 1999 (the "Act") confer any benefit on, nor be enforceable by any person or corporate entity which is not a Party to the Contract.

14.2 For the purposes of this Article 14, "Indemnified Third Party" means any member of the Buyer's Group (other than the Buyer) or the Supplier's Group (other than the Supplier).

14.3 Subject to the remaining provisions of the Contract, Article 10 (Limitation of Liability – Time Barring of Legal Action) and Article 11 (Indemnification) are intended to be enforceable by an Indemnified Third Party by virtue of the Act.

14.4 Notwithstanding Article 14.3, the Contract may be rescinded, amended or varied by the Parties to the Contract without notice to or the consent of any Indemnified Third Party even if, as a result, that Indemnified Third Party's right to enforce a term of the Contract may be varied or extinguished.

14.5 In enforcing any right to which it is entitled by virtue of the Act and the provisions of the Contract, the remedies of an Indemnified Third Party are limited to damages.

14.6 An Indemnified Third Party is not entitled to assign any benefit or right conferred on it under the Contract by virtue of the Act.

15. Miscellaneous

The Supplier may, without prejudice to its other rights and remedies, terminate all or part of the Contract, or suspend any deliveries if the Buyer becomes insolvent or enters into any composition, arrangement or agreement (including a voluntary arrangement or agreement) with its creditors, or has passed a resolution for voluntary winding up.

The Buyer may not sub-contract or assign all or any part of its respective rights or obligations under the Contract to any third party. The Supplier may have all or part of the Contract performed by one of its subsidiaries or affiliated companies.

A failure by the Supplier to enforce any provision of the Contract shall not be deemed to be a waiver of such provision.

The Buyer represents that it conducts its business according to ethical rules which are not less stringent than Vallourec's Code of Ethics as updated from time to time. The Buyer acknowledges that the Goods may be subject to applicable EU and US export control and economic sanctions laws and regulations. Buyer shall indemnify,

defend and hold the Supplier harmless for any liability arising from re-exporting the Goods, directly or indirectly, to any destination, entity, or end-use in violation of applicable laws or regulations.

If any provision of the Contract is found to be void, invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not impair or affect the remaining provisions of the Contract or the validity or enforceability of such provision in any other jurisdiction.

The Contract constitutes the entire agreement between the Parties with respect to the sale of the Goods and supersedes all prior negotiations, representations or agreements related to the Contract, either written or oral.

In accordance with French Civil Code Article 1127-3, the Parties expressly consent to the language of the Contract being English, and to derogate from the obligation to propose or use the French language in respect of the Contract.