

CRE GENERAL TERMS AND CONDITIONS OF SALE These Terms and Conditions shall apply to all contracts for the supply of Goods and/or Services by CRE to the Customer to the exclusion of all other terms and conditions including any terms and conditions which the Customer may seek to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

1. DEFINITIONS AND INTERPRETATION

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

"Contract"	means the contract between CRE and the Customer for the supply of Goods and/or Services comprising the Purchase Order, these Terms and Conditions and any amendment or variation to the Purchase Order or these Terms and Conditions as agreed in writing between CRE and the Customer;
"Customer"	means the person or persons to whom CRE supplies the Goods and/or Services as detailed in the Purchase Order;
"Goods"	means the Goods manufactured and supplied by CRE as detailed in the Purchase Order;
"Intellectual Property"	all patents, rights to inventions, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade or get-up, rights in goodwill or to sue for passing off, unfair competition rights, design rights, rights in software, database 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 including Technical Information;
"Parties"	means CRE and the Customer;
"Price"	means the charges, taxes and disbursements specified by CRE for the supply of the Goods and/or Services including, without limit, any shipping costs and import taxes;
"Purchase Order"	means the purchase order issued by the Customer and accepted by CRE containing details relating to the supply of Goods and/or Services under the Contract;
"CRE"	shall mean C R Encapsulation Limited (registered in Scotland No. SC228211) and having its registered office at Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA;
"Services"	means the services to be supplied by CRE as detailed in the Purchase Order;
"Technical Information"	means drawings, techniques, processes, formulae, reports, specifications, practices, procedures, instructions and other technical information and data of any kind in whatever form;
"Terms and Conditions"	means these General Terms and Conditions; and
"VAT"	means UK value added tax.

1.2 Unless the context otherwise requires, references in these Terms and Conditions:

- 1.2.1 to "person" or "third party" include any individual, company, corporation, firm, partnership, joint venture, association, organisation, institution, trust or agency, whether or not having a separate legal personality;
- 1.2.2 to one gender include all genders, and reference to singular include the plural and vice versa
- 1.2.3 to "include" or "including" shall be construed without limitation; and
- 1.2.4 to any statute, statutory provision or regulation, are references to that statute, statutory provision or regulation, as from time to time amended, extended or re-enacted.

2. THE GOODS AND/OR SERVICES

- 2.1 CRE agrees to provide the Goods and/or Services to the Customer in accordance with the Contract.
- 2.2 No Purchase Order for the supply of Goods and/or Services is binding on CRE unless and until it has been accepted by CRE in writing or (if earlier) when CRE delivers the Goods and/or Services to the Customer.
- 2.3 Time shall not be of the essence in relation to the provision of the Goods and/or Services by CRE to the Customer.

- 2.4 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by CRE shall be subject to correction without any liability on the part of CRE.
- 2.5 All Goods must be used strictly in accordance with the instructions, recommendations and specifications (if any) of CRE.
- 2.6 CRE shall have the right to make any changes to the Services which are necessary to comply with applicable law or safety requirement, or which do not materially affect the nature or quality of the Services, and CRE shall notify the Customer in any such event.

3. DELIVERY AND PACKAGING

- 3.1 Delivery of the Goods and/or Services will be at the time and date and in the manner as agreed with the Customer and specified in the Contract ("Agreed Delivery Date").
- 3.2 Stated delivery times are an estimate only and CRE will not be liable for any loss (including loss of profit), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery of the Goods and/or performance of the Services nor will any delay entitle the Customer to terminate or rescind the Contract.
- 3.3 If the Customer refuses or fails to take delivery of the Goods within the Customer's normal working hours on the Agreed Delivery Date, or if CRE is unable to deliver the Goods on time because the Customer has not provided appropriate instructions, documents, licences or authorisations, CRE may store the Goods and the Customer shall in addition to the Price payable pay all related costs and expenses (including, without limitation, the costs for storage and insurance) and additional delivery costs incurred by CRE and if the Customer refuses or fails to take delivery of or to collect the Goods (as appropriate) after fourteen (14) days following the Agreed Delivery Date, CRE may rescind the Contract and recover damages.
- 3.4 If Goods are delivered in instalments, each delivery shall constitute a separate Contract. Any failure by CRE to deliver or any claim by the Customer in respect of any one or more of the instalments in accordance with this Contract shall not entitle the Customer to treat the Contract as a whole as repudiated.
- 3.5 CRE reserves the right, at its sole option, to cancel or withhold the delivery of any Goods and/or performance of the Services, (whether in whole or in part) if the Customer is in breach of any of the terms of the Contract or any invoices from CRE to the Customer are overdue.
- 3.6 The Customer shall be responsible for ensuring the Goods are kept in adequate storage conditions once Delivered to the Customer or to the Customer's order.
- 3.7 CRE quotations and normal trading terms are Ex Works (EXW as defined by Incoterms 2010). On occasions where CRE agree in writing to deviate from their normal trading terms of Ex Works, CRE shall require written confirmation of the Customer's nominated freight forwarder and customs clearance representative. On such occasions CRE shall invoice the Customer for all third party costs relating to transportation, insurance and freight charges on the Goods and/or any materials in relation to the provision of the Services and CRE shall also be entitled to charge the Customer a handling charge of 10% of such costs.

4. RISK AND TITLE

- 4.1 Risk in the Goods shall pass to the Customer upon delivery.
- 4.2 Title in the Goods shall pass to the Customer when payment has been received in full (in cash or cleared funds) for the Goods.

5. QUALITY OF GOODS

- 5.1 CRE warrants that for a period of 12 months from the date of delivery (the "Goods Warranty Period"), the Goods shall conform in all material respects with their description as detailed in the Contract and be free from material defects in design, material and workmanship.
- 5.2 Subject to condition 5.3, if the Customer gives notice in writing during the Goods Warranty Period that some or all of the Goods do not comply with the warranty set out in condition 5.1, CRE shall, at its option, repair or replace the defective Goods or refund the price of the defective Goods in full. Where CRE is to repair the defective Goods, the Customer shall either be responsible for the delivery of the defective Goods to CRE's premises or, should CRE at the Customer's request agree to repair the defective Goods outwith CRE's premises, for the costs of messing and transporting CRE's personnel and the transportation, insurance and freight costs for any equipment or spare parts required to repair the defective Goods. Where CRE replaces or repairs the defective Goods at CRE's premises, the repaired or replaced Goods shall be collected by the Customer from CRE's premises or otherwise delivered to the Customer at the Customer's risk and cost.
- 5.3 CRE shall not be liable for the Goods' failure to comply with the warranty in condition 5.1, if:
 - 5.3.1 the Customer makes any further use of the Goods after giving a notice in accordance with condition 5.2;

- 5.3.2 the defect arises due to the Customer's failure to follow CRE's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or (if there are none) good trade practice;
- 5.3.3 the defect arises as a result of CRE following any drawing, design or specification supplied by the Customer;
- 5.3.4 the Customer alters or repairs such Goods without the written consent of CRE; or
- 5.3.5 the defect arises as a result of fair wear and tear, wilful damage, negligence or abnormal working conditions.
- 5.4 Except as provided for in this condition 5, CRE shall have no liability to the Customer in respect of the Goods' failure to comply with the warranty set out in condition 5.1.
- 5.5 CRE provides no warranty for goods, materials or equipment manufactured by third parties.

6. QUALITY OF SERVICES

- 6.1 CRE warrants that the Services will be provided in accordance with the requirements of the Contract using reasonable skill and care. CRE warrants that the Services shall be free from defects for a period of 30 days from the date of completion of the Services (the "Services Warranty Period").
- 6.2 If the Customer gives notice in writing during the Services Warranty Period that the Services do not comply with the warranty set out in condition 6.1, CRE shall re-perform the Services.
- 6.3 Except as provided for in this condition 6, CRE shall have no liability to the Customer in respect of the Services failure to comply with the warranty set out in condition 6.1.

7. CUSTOMER WARRANTIES

- 7.1 The Customer shall provide CRE, in a timely manner, with all such information and materials as are necessary for CRE to carry out the Services and/or provide the Goods in accordance with the Contract and the Customer warrants that all information provided by it or on its behalf to CRE is accurate. The Customer further warrants that it will give CRE prior written notice of any exceptional hazards, known or suspected, by the Customer that might potentially arise in the use of such materials or information.
- 7.2 The Customer warrants that it has obtained all necessary licences, approvals, permits or authorities required in relation to the Goods and/or Services and the Customer accepts full responsibility and liability in respect of any failure to obtain such permissions.

8. LIABILITY

- 8.1 Save in respect of liability for personal injury or death caused by CRE's negligence, CRE's total liability arising under or in connection with the Contract whether in contract, delict (including negligence), breach of statutory duty or otherwise shall not exceed the aggregate consideration received by CRE from the Customer under that relevant Contract.
- 8.2 In the event of any breach or breaches of the Contract by CRE, CRE shall not be liable to the Customer in respect of any resulting Consequential Loss. "Consequential Loss" shall mean indirect losses and/or loss of production, loss of product, loss of use and loss of revenue, profit or anticipated profit, arising from or related to the performance of the Contract and whether or not such losses were foreseeable at the time of entering into the Contract.
- 8.3 If CRE's performance of its obligations under the Contract is prevented or delayed by any act or omission of the Customer, its agents, sub-contractors or employees, CRE shall not be liable for any costs, charges or losses sustained or incurred by the Customer arising directly or indirectly from such prevention or delay.

9. INVOICING AND PAYMENT TERMS

- 9.1 Subject to any special terms agreed in writing between the Parties and save as provided under these Terms and Conditions, CRE shall be entitled to invoice the Customer for the price of the Goods on or at the time the Goods leave CRE's premises for delivery to the Customer on the Agreed Delivery Date, unless the Goods are to be collected by the Customer or the Customer wrongfully fails to take delivery of the Goods, in which event CRE shall be entitled to invoice the Customer for the Price at any time after CRE has notified the Customer that the Goods are ready for collection or (as the case may be) CRE has tendered delivery of the Goods. Subject to any special terms agreed in writing between the Parties, CRE shall be entitled to invoice the Customer for the Price of the Services from the date of completion of the Services.
- 9.2 The Price and any other amounts stated in any quotation are Ex Works and are exclusive of VAT (or any other applicable sales tax) which will be payable by the Customer at the appropriate rate.
- 9.3 Payments of the Price shall be made within 30 days of the date on a valid VAT invoice. Payment shall be made in the currency stated on the sales invoice.
- 9.4 All bank charges associated with payments made by the Customer for the Goods and/or Services (such as, by way of example only, charges levied on payments from overseas) shall be payable by the Customer.

- 9.5 All sums due from the Customer to CRE which are not paid on the due date (without prejudice to the rights of CRE under the Contract) shall be subject to the provisions of the Late Payment of Commercial Debts (Interest) Act 1998, as amended from time to time.

- 9.6 Time shall be of the essence in relation to payments by the Customer to CRE under the Contract.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1 Neither CRE nor the Customer shall have the right of use, other than for the purposes of the Contract, whether directly or indirectly of any Intellectual Property provided by the other party and the rights thereto shall remain with the party providing such Intellectual Property.
- 10.2 Where any potential patent or registrable right in any country in the world or any confidential know how results from:
 - 10.2.1 developments by CRE of the Goods and/or Services;
 - 10.2.2 enhancements of or in the existing Intellectual Property of CRE, such rights shall vest in CRE.

11. FORCE MAJEURE

CRE shall not be liable for any failure to perform any of its obligations under the Contract if and to the extent that the failure is caused by act of God, war, riot, civil commotion, act of terrorism, strike, lock-out, trade disputes, fire, flood, breakdowns, interruptions of transport, governmental action or restriction, shortage of labour or materials or breakdown of machinery, delay in delivery by CRE's suppliers or any other cause whatsoever (whether or not similar to the foregoing) outside the control of CRE.

12. TERMINATION

- 12.1 The Contract may be terminated by CRE on giving 14 days written notice to the Customer.
- 12.2 CRE may terminate the Contract immediately by written notice given to the Customer where:
 - 12.2.1 the Customer commits a breach of the Contract which CRE reasonably considers is not capable of remedy; or
 - 12.2.2 the Customer continues to breach the Contract for more than 30 days after being notified to remedy such breach in writing by CRE; or
 - 12.2.3 if the Customer ceases trading or threatens to cease trading or if the Customer is a company, and the company passes a resolution or the court makes an order that it should be wound up or that an administrator be appointed, or if the Customer makes a composition or an arrangement with its creditors, or if a receiver or manager or administrator on behalf of a creditor is appointed, or if circumstances arise which entitle the court or a creditor to appoint a receiver, manager or administrator or which entitle the court to make a winding up order.
- 12.3 If one of the events in condition 12.2.3 occurs and if the Goods have been delivered and/or Services performed but not paid for the Price shall become immediately due and payable notwithstanding any previous agreement to the contrary.
- 12.4 If the Customer does not make payments in accordance with condition 9 CRE reserves the right to cease the supply of Goods and Services and, if it thinks fit, to terminate the Contract immediately by written notice given to the Customer.
- 12.5 The Contract may not be cancelled by the Customer except with the agreement in writing of CRE and the Customer shall indemnify CRE in full against all loss, costs, damages, charges and expenses incurred by CRE as a result of such cancellation.

13. EFFECT OF TERMINATION

- 13.1 Termination of the Contract shall not affect any obligation or liability of any Party which has accrued at the date of termination.
- 13.2 Except for conditions 5, 6, 7, 8, 9, 10, 12, 13 and 14 and except in respect of any other accrued rights, neither party shall be under any further obligation to the other.
- 13.3 CRE may, during the term of the Contract and upon termination of the Contract, set off against any debt owed by the Customer to CRE, any sums otherwise due to the Customer.

14. ANTI CORRUPTION

- 14.1 CRE operates an Anti Corruption Code.
- 14.2 A copy of CRE's Anti Corruption Code can be requested from sales@CRE-Marine.com.

15. GENERAL

- 15.1 By accepting this quotation you are acknowledging and certifying that to the best of your knowledge the goods supplied by CR Encapsulation Ltd will not be re-exported, or otherwise re-sold or transferred to a destination subject to United States, United Nations, European Union sanctions where that act would be in breach of the terms of these sanctions.

- 15.2** The Customer shall not assign or sub-contract the Contract or any part of it without the prior consent of CRE in writing, such consent not to be unreasonably withheld or delayed. CRE may at any time, on reasonable notice in writing to the Customer, transfer or assign all or any rights and/or obligations under the Contract. CRE shall be free to subcontract or otherwise deal with the whole or any part of the Goods and/or Services.
- 15.3** No delay by CRE in enforcing or expressing any right, either arising out of the Contract or any right in respect of any breach of the Contract by the Customer, shall constitute a waiver of such right. No waiver by CRE of any breach of the Customer's obligations shall constitute a waiver of any other prior or subsequent breach.
- 15.4** Any variation of any provision of the Contract must be effected in writing and issued by CRE. No purported variation by any other means shall bind CRE.
- 15.5** No statement in any publication issued by CRE constitutes a term of the Contract, nor a representation in reliance upon which the Contract has been entered into. CRE's employees or agents are not authorised to make any representations concerning the Goods and/or Services unless confirmed by CRE in writing.
- 15.6** Nothing in the Contract shall be construed so as to create a partnership or joint venture between the parties or have the effect of making any employee of the Customer a servant of CRE or of making any employee of CRE an employee or servant of the Customer.
- 15.7** If any part of the Contract is unenforceable, such unenforceability shall not affect the enforceability of the remainder of the Contract.
- 15.8** Any notices to be given under the Contract shall be in writing and sent to the relevant address or addresses set out in the Contract by hand, facsimile or prepaid post. Such notices shall be deemed to be received at once if sent by facsimile and if sent by prepaid first class post within the United Kingdom shall be deemed to be served on the second business day after posting. If a notice is sent to or from abroad by prepaid mail it shall be deemed to be served on the fifth business day after posting.
- 15.9** The Contract is subject to the law of Scotland and to the non-exclusive jurisdiction of the courts of Scotland.

C R Encapsulation Limited – September 2014