

## **CLYDE INDUSTRIES INDONESIA** GENERAL TERMS AND CONDITIONS FOR SALE OF EQUIPMENT

## 1. THE CONTRACT

The Contract shall be comprised of the following terms, together with such terms and conditions as are set forth in Seller's written proposal or quotation, including any documents, drawings or specifications incorporated therein by reference, and any additional or different terms proposed in Buyer's purchase order (the "Purchase Order") that are accepted by Seller in writing, which together shall constitute the entire agreement between the parties, provided, however, that preprinted terms on Buyer's purchase order or invoice shall not apply and Seller gives notice of objection to such terms. An offer by Seller in its Proposal or Quotation that does not stipulate an acceptance date is not binding. This Contract shall be deemed to have been entered into upon written acknowledgement of the Purchase Order by an officer or authorized representative of Seller, which may not be modified, supplemented, or waived except in writing, executed by an authorized representative of the party to be bound.

- 2. PRICE: The priced quoted in the Proposal or Quotation shall be the Purchase Price unless otherwise agreed in the Purchase Order. The Purchase Price for equipment shall included packing for shipment. Field Services shall be provided at Seller's standard rates. All other costs, including packing for storage, freight, insurance, taxes, customs duties and import/export fee, any country specific taxes such as VAT, or any other item not specified in the Contract, shall be paid by Buyer unless separately stated in the Proposal or Quotation and included in the price quoted. Any sales, use, or other taxes and duties imposed on the transaction or the equipment supplied shall be paid or reimbursed by Buyer.
- 3. PAYMENT TERMS: 100% TT Before delivery.
- 4. ACCEPTANCE AND INSPECTION: Buyer shall promptly inspect all equipment within 14 days after delivery or such other period of time as is agreed in the Purchase Order. In the event Buyer does not act within the time limit provided above, Buyer agrees that it shall be conclusively presumed to have accepted the Equipment and waived its right to revoke acceptance. The presumption shall not, however, be deemed a waiver of the one-year warranty given above. Buyer shall make all claims including claims for shortages, excepting only those provided for under the warranty clause contained herein, in writing within such 14-day period or they are waived. Services shall be accepted upon completion. Buyer shall not revoke its acceptance. Buyer may reject the equipment only for material defects that substantially impair its value, and Buyer's remedy for lesser defects shall be in accordance with Section 10, Warranty. If tests are made by Buyer to demonstrate the ability of the equipment to operate under the contract conditions and fulfill the warranties in Section 10. Buyer is to make all preparations and incur all expenses incidental to such tests. Seller will have the right of representation at such tests at its expense, and the right to technically direct the operation of the equipment during such tests, including requiring a preliminary run for adjustments. The presumption shall not, however, be deemed a waiver of the one-year warranty given above.
- 5. TITLE AND RISK OF LOSS: Seller warrants that it will deliver to Buyer title to the Equipment free of any liens or claims created or suffered by Seller; provided, however, that Seller will, at its option, retain a purchase money security interest in the Equipment (with right of repossession) until full payment of the price is received by Buyer from Seller. Buyer agrees to execute all instruments reasonably required to evidence and perfect such security interest or its equivalent under the laws of the United States. Full risk of loss (including transportation delays and losses) shall pass to Buyer upon shipment unless agreed upon otherwise, regardless of whether title has passed to Buyer, transport is arranged or supervised by Seller, or start-up is carried out under the direction or supervision of Seller. Delivery shall be undertaken by a transport company of Seller's choosing. Loss or destruction of the equipment or injury or damage to the equipment that occurs while the risk of such loss or damage is borne by Buyer does not relieve Buyer of its obligation to pay Seller for the equipment.
- 6. PATENT OR TRADEMARK INFORMATION: Seller warrants that the Equipment and components and the sale or use of them will not infringe any United States patent and Seller agrees to defend, protect and save harmless Buyer, and its successors and assigns, against all lawsuits and from all damages and expenses resulting from 3rd party claims or demands for actual or alleged infringements of any United States patent by reason of the sale or use of the Equipment. However, if the equipment sold hereunder is to be prepared or manufactured according to Buyer's

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specifications, Buyer shall indemnify Seller and hold it harmless from any claims or liability for patent or trademark infringement on account of the sale or manufacture of such goods.

- 7. CHANGES: Buyer may request, in writing, changes in the design, drawings, specifications, shipping instructions, and shipment schedules of the equipment. As promptly as practicable after receipt of such request, Seller will advise Buyer what amendments to the Contract, if any, may be necessitated by such requested changes, including but not limited to amendment of the Purchase Price, specifications, shipment schedule, or date of delivery. Any changes agreed upon by the parties shall be evidenced by a Change Order signed by both parties. Seller shall not be liable for any delays that occur due to Changes requested by Buyer.
- 8. CANCELLATION OR TERMINATION: Insolvency. Either party shall be entitled to terminate this Contract and any outstanding Statement of Work, and the parties' duties and obligations hereunder and thereunder, on thirty (30) days prior written notice to the other party in the event the other party becomes insolvent or seeks protection, voluntarily or involuntarily, under applicable bankruptcy laws. Payment Default. This Contract, and the parties' duties and obligations hereunder, may be terminated by Seller upon Buyer's failure to make payment under any undisputed portion of any invoice on the due date for such invoice and Buyer's failure to cure such delinquency within ten (10) days following receipt of written notice thereof from Seller to Buyer. Seller may not withhold performance if Buyer disputes any invoice or portion of any invoice in good faith and fails to pay such invoice while the dispute is pending. Buyer shall deposit all funds equaling the disputed amount in an escrow account until such time as the dispute has been resolved as per Section 14 of this Agreement. Termination for Cause. Either party may terminate this Contract at any time, upon forty-five (45) days prior written notice to the other party, if the other party materially breaches any term or condition of this Contract (other than a payment default and fails to cure such breach within the forty-five (45) day cure period. As used in this Contract, a "material breach" shall mean a material misstatement or omission in any representation or warranty of a party, or a breach or default in the performance of any agreement, covenant or obligations of a party hereto which, in any such case, deprives the non-breaching party of a material right or benefits in any material respect. Effect of Termination. In the event of termination, both parties shall be liable for all obligations that accrued prior to termination, including completion of deliveries under any open Statement of Work unless the nonbreaching party elects not to have the open Statement of Work completed, and for all obligations that survives the termination or expiration of this Contract. Buyers Termination of Specially Designed Equipment: Buyer acknowledges that the Equipment is to be fabricated specially upon Buyers order to specifications unique to Buyers requirement, that Seller will enter into commitments with suppliers and subcontractors for such purpose, and that the Equipment is not readily saleable to other purchasers. Buyer shall have the right to cancel the Contract upon 15 days prior written notice to Seller and Seller shall stop its performance upon the receipt of such notice except as otherwise agreed with Buyer. If Buyer cancels the contact it shall pay: (a) the agreed unit price for equipment or components completed and delivered, (b) additional material and labor costs incurred, and for engineering services supplied by Seller with respect to the canceled items, which shall be charged to buyer at Seller's rates in effect at the time of cancellation, but which shall not exceed the contract price for such items and (c) such other costs and expenses including cancellation charges under subcontracts as Seller may incur in connection with such cancellation or termination.
- 9. DELIVERY, DELAYS & FORCE MAJEURE: Although Seller will arrange for shipment, Buyer shall pay all insurance and freight charges and bear the risk of transportation and all other risk of loss after delivery. The date of delivery is based upon Seller's current scheduling. Seller reserves the right to make delivery at any time within 30 days before or after the date indicated. Seller shall use its best efforts to meet quoted delivery dates, which are estimated based on conditions known at the time of quotation. Under no circumstances shall Seller shall be liable for any nonperformance, loss, damage, or delay due to, but not limited to, such events as war, riots, insurrection, fire, flood, strikes or other labor difficulty, order or directive of any government authority, acts of God, acts of the Buyer or its customer, delays in transportation, failures of suppliers or subcontractors, inability to obtain necessary labor or materials from usual sources, or other causes beyond the reasonable control of Seller (Force Majeure). In the event of delay in performance due to any such cause, the date of delivery or time for completion will be extended to reflect the length of time lost by reason of such delay. Seller shall not be liable for any loss or damage to Buyer resulting from any delay in delivery. The duty to pay for any outstanding deliverables received from Seller to Buyer and accepted by Buyer shall not be delayed by this clause.
- 10. WARRANTY: Seller warrants that the equipment or services supplied will be free from defects in material, and workmanship for a period of 12 months from the date of initial operation of the equipment, or 18 months from the date

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of shipment, whichever shall first occur. Repairs, replacement parts and spares shall be warranted for 12 months or, if the repair is performed under this warranty, for the remainder of the original warranty period, whichever is less. Buyer shall report any claimed defect in writing to Seller immediately upon discovery and in any event, within the warranty period. Buyer shall return the defective Equipment (or unit or component thereof) at its expense and shall accept the same as repaired or the replacement thereof, F.O.B. Seller's designated repair facility. The expense of removing defective Equipment (or unit or component thereof) and of reinstalling the same or any replacement thereof shall be borne by Buyer. Labor costs incurred by Seller shall be borne by Buyer. Seller shall not be responsible for any damage, malfunction or defect resulting from Buyer's modifications or failure to operate, maintain or service the Equipment in accordance with Seller recommendations on operation, maintenance and service. Seller shall, at its sole option, repair the equipment or furnish replacement equipment or parts thereof, at the original delivery point. Seller shall not be liable for costs of removal, reinstallation, or gaining access. If Buyer or others repair, replace, or adjust equipment or parts without Seller's prior written approval, Seller is relieved of any further obligation to Buyer under this section with respect to such equipment or parts. The repair or replacement of the equipment or spare or replacement parts by Seller under this section shall constitute Seller's sole obligation and Buyer's sole and exclusive remedy for all claims of defects. SELLER MAKES NO OTHER WARRANTY OR REPRESENTATION OF ANY KIND WITH RESPECT TO THE EOUIPMENT OR SERVICES OTHER THAN AS SPECIFIED IN THIS AGREEMENT. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED. For purposes of the Section, the equipment warranted shall not include equipment, parts, and work not manufactured, supplied or performed by Seller. With respect to such equipment, parts, or work, Seller's only obligation shall be to assign to Buyer any warranty provided to Seller by the manufacturer or supplier providing such equipment, parts or work. No equipment furnished by Seller shall be deemed to be defective by reason of normal wear and tear, failure to resist erosive or corrosive action of any fluid or gas, Buyer's failure to properly store, install, operate or maintain the equipment in accordance with good industry practices or specific recommendations of Seller, or Buyer's failure to provide complete and accurate information to Seller concerning the operational application of the equipment. This Warranty shall not apply: (i) if the Equipment has been modified, changed or altered by anyone other than Seller; (ii) if the Equipment is improperly installed and Seller did not provide the installation services, (iii) if the Equipment is being improperly operated and/or used in any way other than as contemplated by its Specifications or the applicable Statement of Work; or (iv) if the damage or defect is caused by fire, flood, wind, lightning or similar occurrences. If any of Buyer's warranty claims fall within any of the above exceptions, then the Warranty shall become immediately null and void and shall be of no further force or effect with respect to such Equipment and Buyer shall pay Seller's costs of investigating and identifying the problem, and Seller's expenses to repair or correct the problem, based on Seller's thencurrent charges.

- 11. LIMITED PERFORMANCE WARRANTY: Seller further warrants that as of (i) the delivery of Equipment to Buyer at the applicable Delivery Location and (ii) its completed start up and commissioning, such Equipment supplied hereunder shall materially comply with the agreed upon Specifications to such Equipment and will perform and operate substantially in accordance with these Specifications. If, during the Inspection Period, any Equipment does not comply with the relevant Specifications or does not perform or operate substantially in accordance with them, then Seller shall, at its expense, repair or replace nonconforming components of the Equipment and shall use commercially reasonable efforts to correct any other defects in the Equipment.
- 12. TECHNICAL DOCUMENTS: Technical documents furnished by Seller to Buyer, such as drawings, descriptions, designs and the like, shall be deemed provided to Buyer on a confidential basis, shall remain Seller's exclusive property, shall not be provided in any way to third parties, and shall only be used by Buyer for purposes of installation, operation and maintenance. Technical documents submitted in connection with a Quotation that does not result in a Purchase Order shall be returned to Seller upon request.
- 13. MISCELLANEOUS: No waiver, alteration or amendment hereof shall be binding unless made in writing and executed by the party against whom such waiver, alteration or amendment is sought to be enforced. Waiver by either party of any default shall not be deemed a waiver of any other default. This Contract, together with each Statement of Work and Change Order issued hereunder (each of which is incorporated herein by reference), sets forth the entire agreement and understanding of the parties with respect to transactions contemplated hereby and thereby and supersedes any and all prior contracts, agreements and understandings of the parties relating to the subject matter hereof and thereof.

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14. LIMITATION OF LIABILITY: Seller shall in no event be liable for any consequential, incidental, indirect, special or punitive damages arising out of the Contract, or out of any breach of any of its obligations hereunder, or out of any defect in, or failure of, or malfunction of the equipment, including but not limited to, claims based upon loss of use, lost profits or revenue, interest, lost goodwill, work stoppage, impairment of other equipment, environmental damage, nuclear incident, loss by reason of shutdown or non-operation, increased expenses of operation, cost of purchase replacement power or claims of buyer or customers of buyer for service interruption whether or not such loss or damage is based on contract, tort (including negligence and strict liability) or otherwise. Seller's maximum liability under this Contract shall not exceed the Purchase Order amount of the equipment or portion thereof upon which such liability is based. All such liability shall terminate at expiration of the warranty period, if not sooner terminated. THE ABOVE WARRANTIES ARE IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, AND SELLER SPECIFICALLY DISCLAIMS ALL SUCH OTHER EXPRESS OR IMPLIED WARRANTIES AND/OR AGREEMENTS INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SELLER SHALL NOT BE LIABLE TO BUYER OR ITS AFFILIATES FOR ANY DAMAGES IN CONNECTION WITH THE SALE OF EQUIPMENT UNDER THIS CONTRACT, WHETHER ARISING IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE UNDER ANY ONE STATEMENT OF WORK IN EXCESS OF THE PURCHASE PRICE FOR THE EQUIPMENT AND SERVICES PROVIDED AND PAID TO SELLER BY BUYER AND RETAINED BY SELLER UNDER THE SPECIFIC STATEMENT OF WORK GIVING RISE TO BUYER'S CLAIM. ANY LIOUIDATED DAMAGES CLAIM MAY NOT EXCEED: FOR DELIVERY: 0.5% OF THE CONTRACT VALUE FOR EACH/ANY WEEK OF DELAY WITH THE TOTAL CAP OF SUCH LIABILITY NOT EXCEEDING 5% OF CONTRACT VALUE.FOR PERFORMANCE: AS MAY HAVE BEEN EXPRESSLY AGREED UPON WITH BUYER BUT IN NO EVENT IN EXCESS OF A TOTAL CAP OF SUCH LIABILITY EXCEEDING 10 % OF CONTRACT VALUE. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, SELLER'S ENTIRE LIABILITY TO BUYER FOR ANY CLAIMS REGARDLESS OF THE FORM OF ACTION SHALL IN NO EVENT EXCEED TEN (10%) PERCENT OF THE VALUE OF THE SUM PAID BY BUYER TO SELLER FOR THE SPECIFIC EQUIPMENT WHICH IS THE SUBJECT MATTER OF SUCH CLAIM. THE PARTIES FURTHER AGREE THAT EACH AND EVERY PROVISION OF THIS CONTRACT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES IS EXPRESSLY INTENDED TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION SINCE THOSE PROVISIONS REPRESENT SEPARATE ELEMENTS OF RISK ALLOCATION BETWEEN THE PARTIES AND SHALL BE SEPARATELY

15. GOVERNING LAW AND ARBITRATION: This Contract shall be construed in accordance with, and governed in all respects by, the internal laws of Indonesia. Both parties irrevocably submit to the exclusive jurisdiction of the state and federal courts located in Indonesia and both parties waive any right to object to the jurisdiction or venue of the courts in Indonesia for such purpose. Prior to undertaking any legal action to enforce any provision of this Contract, the party contemplating such enforcement shall provide written notice to the other party of the contemplated legal action and shall briefly describe the nature of the dispute between the parties relating to such action. If after negotiating in good faith the parties are unable to resolve the dispute within twenty (20) days of the other party's receipt of such written notice, then the dispute will be referred to the chief executive officer of Seller and Buyer respectively, or their designees, for good faith resolution for a period of fifteen (15) days. If the parties fail to resolve the dispute within such fifteen-day period, such controversy or claim arising out of or relating to this contract, or the breach thereof, shall then be settled by arbitration administered by the Indonesia Arbitration Association under its Commercial Arbitration Rules. The arbitrators are not entitled to award damages in excess of compensatory damages. Judgment upon the award may be entered in any court having jurisdiction. Seller shall not be prohibited, if it chooses, from proceeding in a court to collect amounts owing it by Buyer or to obtain security for any arbitration award.

**16. ATTORNEY FEES.** The prevailing party in any legal proceeding, whether arbitration, litigation, or bankruptcy, and whether in the trial court or on any appeal, shall be entitled to recover its reasonable attorney fees from the other party.

17. CONFIDENTIALITY: (a) Non-Disclosure. The parties anticipate that both Buyer and Seller may learn Confidential and Proprietary Information (as defined below) of the other as a consequence of the transactions contemplated by this Contract. The parties therefore agree, on behalf of themselves, their agents, employees, parents, subsidiaries, officers, directors, and all other persons acting on or for their behalf, (i) to keep all Confidential and Proprietary Information confidential and not to disclose such Confidential and Proprietary Information, either directly or indirectly, to any third party, and (ii) not to use any such Confidential and Proprietary Information for any purpose

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other than performance of this Contract or as otherwise authorized under any other signed Agreement between the parties without the prior written consent of the non-disclosing party.(b) Exceptions. The obligations in this Section 11 shall not apply to any: (i) information that either party knows about the other prior to the execution of this Contract except any information which is the subject of unexpired confidentiality obligations; (ii) information that is publicly known, or becomes publicly known, through no breach by either party; (iii) information that is rightfully obtained by either party from any third party who has no duty of confidentiality under this Contract; (iv) information that is independently developed by or for a receiving party completely apart from the disclosures hereunder, (v) information that is released pursuant to a binding court order or government regulation, provided that the receiving party delivers a copy of such order or action to the other party and reasonably cooperates with the other party if it elects to contest such disclosure or seek an appropriate remedy such as a protective order or (vi) is otherwise necessary to disclose in order to file or prosecute patent applications, prosecute or defend litigation or comply with applicable law, including regulatory filings, or otherwise establish rights or enforce obligations under this Contract, but only to the extent that any such disclosure is reasonably necessary.(c) Precautions. The parties mutually agree to take all reasonably necessary steps, and to prepare and execute all necessary documents, to protect and prohibit the disclosure of Proprietary and Confidential Information under this Section 11 using the higher of a reasonable standard of care or the care used by such party to protect its own confidential or proprietary information. Each party will immediately notify the other party of any information that comes to its attention which might indicate that there has been a loss of confidentiality with respect to such other party's Confidential and Proprietary Information.(d) Remedies. In the event of a breach or threatened breach by either party of such party's confidentiality obligations in this Section 11, the parties acknowledge and agree that it would be difficult to measure the damage to the non-breaching party from such breach, that injury to such non-breaching party from such breach would be impossible to calculate and that money damages would therefore be an inadequate remedy for such breach. Accordingly, the non-breaching party, in addition to any and all other rights which may be available, shall have the right of injunctive relief and other appropriate equitable remedies to restrain any such breach or threatened breach.(e) Return of Property. Upon request, each party shall immediately return to the other party the originals and all copies of any Confidential and Proprietary Information of the other party.

**18. SEVERABILITY:** The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision contained herein.

19. NO SOLICITATION: During the Term of this Contract and for a period of one (1) year after termination of this Contract, neither Buyer nor Seller shall induce, solicit, assist, or have discussions or any other communications with any employee of the other party or its Affiliates to influence or cause that employee to terminate employment with such party, and will not facilitate, inducement, solicitation, discussion or any other communication by a third person of or with any employee of the other party to influence or cause that employee to terminate employment with the other party.

20. CONSTRUCTION: In the interpretation and construction of this Contract, the parties acknowledge that the terms hereof reflect extensive negotiations between the parties and that this Contract shall not be deemed, for the purpose of construction and interpretation, to have been drafted by either party.

**21. SURVIVAL:** The provisions of Sections 6, 10, 11, 13, 14, 15, 16, 17 and 20 shall survive termination of this Contract

**22. EXPORT CONTROL:** In no event shall Seller be bound by any terms and conditions that contravene any export laws, regulations or other restraints of any relevant countries including but not limited to the U.S.A. All orders are subject to the obtaining of any required licenses under the said relevant laws. Buyer shall, upon Seller's request, furnish Seller with all information and documentation necessary for Seller in obtaining and complying with the required licenses.

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