
PetroleumBRUNEI General Terms and Conditions for the Purchase of Products and/or Services

- These PURCHASE ORDER General Terms and Conditions shall apply to the CONTRACTOR who performs WORK or SERVICES for PetroleumBRUNEI in accordance with the PURCHASE ORDER.
- These Terms and Conditions shall be binding between PetroleumBRUNEI and CONTRACTOR and supersede and replace any CONTRACTOR terms and conditions or previous Purchase Orders for the WORK or SERVICES in scope.
- These Terms and Conditions shall take precedence over any applicable 'INCOTERMS' as issued by the headquarters of the International Chamber of Commerce in Paris, France.
- In the event any special terms and conditions are agreed between the parties in the Letter of Award (if any) and the PURCHASE ORDER, those special terms and conditions shall take precedence over the terms contained in these Terms and Conditions.

1. Definitions

"PetroleumBRUNEI" shall mean the person, persons, firm or company named in the PURCHASE ORDER to purchase the WORK or SERVICES hereinafter defined, and shall include PetroleumBRUNEI's legal representatives, successors and assigns.

"PetroleumBRUNEI GROUP" shall mean PetroleumBRUNEI, its CO-VENTURERS, its and their respective AFFILIATES and its and their respective directors, officers and employees (including agency personnel), but shall not include any member of the CONTRACTOR GROUP.

"AFFILIATES" shall mean firms or companies where the PetroleumBRUNEI GROUP directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, said party, where control being at least fifty per cent (50%) ownership.

"CONTRACTOR" shall mean the person, persons, firm or company named in the PURCHASE ORDER to supply the WORK or SERVICES hereinafter defined, and shall include the CONTRACTOR's legal representatives, successors and assigns.

"PERFORMANCE DATE" shall mean the date(s) upon which the WORK or SERVICES shall be performed as specified in the PURCHASE ORDER.

"WORK or SERVICES" shall mean the work or services to be performed in accordance with this PURCHASE ORDER.

"PURCHASE ORDER" shall mean the contract formed by the acceptance of this PURCHASE ORDER and shall incorporate these PURCHASE ORDER Terms and Conditions as may be amended by any special terms referred to in this PURCHASE ORDER.

2. Interpretation & Notices

All instructions, notices, agreements, authorisations, approvals and acknowledgements shall be in writing. All such documentation together with all correspondence and other documents shall be in the English language.

Nevertheless if for any reason, it is considered necessary by PetroleumBRUNEI to give an instruction to the CONTRACTOR verbally in the first instance, the CONTRACTOR shall comply with such instruction. Any such oral instruction shall be confirmed in writing as soon as is possible under the circumstances, provided that, if the CONTRACTOR confirms in writing any such verbal instruction which is not contradicted in writing by PetroleumBRUNEI without undue delay, it shall be deemed to be an instruction in writing by PetroleumBRUNEI. Any reference to statute, statutory provision or statutory instrument shall include any re-enactment or amendment thereof for the time being in force.

Unless the context otherwise requires, words importing the singular shall include the plural, and words importing the masculine gender shall include the feminine and neuter genders, and vice versa.

The CONTRACTOR has the obligation to assign at least one (1) point of contact within its organization and notify PetroleumBRUNEI in writing in respect thereof, and inform PetroleumBRUNEI in writing at least one (1) week in advance of any changes.

PetroleumBRUNEI shall serve any notices to the CONTRACTOR via that point of contact, and CONTRACTOR notices to PetroleumBRUNEI shall be sent by registered post, fax or email, or delivered in person to the following address:

Brunei National Petroleum Company Sdn Bhd
Attention: Supply Chain Management
2nd Floor, Block A, B, C,
Yayasan Sultan Haji Hassanal Bolkhiah Complex,
Jalan Pretty, Bandar Seri Begawan BS8711
Brunei Darussalam
Tel: 673 2230721
Fax: 673 2230654

PetroleumBRUNEI notices to the CONTRACTOR shall be sent by registered post, fax or email, or delivered in person to the following address:

[Supplier's Name]
Attention:
[Supplier's Address]
[Telephone number] / [Fax number]

Such notices shall be deemed received (i) upon recipient's confirmation of receipt if faxed or email, (ii) upon delivery if hand-delivered or sent by registered post.

3. HSSE

- a) The Contractor shall be responsible for protecting all persons involved in the Contractor's Work activities, including any PetroleumBRUNEI employee, personnel, agent or representative, from any and all potential hazards to their health, safety, security and environment.
- b) The Contractor's personnel shall at all times behave in a manner which is consistent with PetroleumBRUNEI's standards and requirements for the management of Health, Safety, Security and the Environment (HSSE) set forth herein, in addition to any and all other requirements set forth in this Purchase Order, as well as consistent with all applicable national laws and regulations in force at the relevant Worksite.
- c) The Contractor shall be responsible for determining any and all HSSE risks associated with the Work under the Purchase Order, and for such purpose the Contractor shall prepare a plan for conducting such HSSE risk assessment which shall be discussed and mutually agreed beforehand with PetroleumBRUNEI.
- d) The Contractor shall assume full responsibility for any and all HSSE risks identified in the Contractor's Work activities as a result of the HSSE risk assessment, and shall take whatever necessary and appropriate measures to eliminate or minimize such risks as far as reasonably practicable prior to execution of the Work.

4. Non-Exclusivity

This PURCHASE ORDER is non-exclusive and PetroleumBRUNEI reserves the right to engage other contractors to perform similar or identical WORK or SERVICES. The CONTRACTOR shall afford such other contractors adequate opportunity to carry out their contracts and shall accomplish the WORK or SERVICES in cooperation with those contractors and with PetroleumBRUNEI.

5. Performance

The CONTRACTOR will perform the WORK or SERVICES for PetroleumBRUNEI as specified in the PURCHASE ORDER, on the PERFORMANCE DATE. In the event that the CONTRACTOR is unable to perform the WORK or SERVICES on the PERFORMANCE DATE the CONTRACTOR shall notify PetroleumBRUNEI at the earliest possible opportunity. PetroleumBRUNEI and the CONTRACTOR shall endeavour to agree a mutually acceptable revised PERFORMANCE DATE. However, in the event that PetroleumBRUNEI and the CONTRACTOR cannot agree, PetroleumBRUNEI shall have the right to terminate the PURCHASE ORDER and recover from the

CONTRACTOR the direct losses sustained as a result of the delay.

Unless otherwise agreed by PetroleumBRUNEI, all WORK or SERVICES shall be performed at the place indicated in the PURCHASE ORDER during normal business hours. Partial performance of the WORK or SERVICES shall not be allowed unless there is prior agreement with PetroleumBRUNEI.

Where applicable, PetroleumBRUNEI and the CONTRACTOR shall meet upon a frequency that PetroleumBRUNEI may choose, to review the general performance of the PURCHASE ORDER, discuss and establish as appropriate action plans to resolve any issues, if any.

Where applicable, PetroleumBRUNEI and the CONTRACTOR shall develop and mutually agree on key performance indicators ("KPIs") within two (2) months after the effective date, to be monitored and periodically evaluated to ensure that PetroleumBRUNEI's requirements are completely fulfilled. Immediate remedial action shall be prompted if the agreed KPIs are not achieved.

6. Pricing, Payment & Taxes

The pricing in the PURCHASE ORDER is fixed and shall not be subject to any adjustment unless provided for elsewhere in the PURCHASE ORDER.

PetroleumBRUNEI will pay for the WORK or SERVICES against the CONTRACTOR's invoice in the amounts specified in the PURCHASE ORDER within thirty (30) days of receipt of the CONTRACTOR's correct invoice, the receipt not being earlier than the acceptance of the WORK or SERVICES by PetroleumBRUNEI unless otherwise stated in the PURCHASE ORDER.

If PetroleumBRUNEI disputes any items on any invoice in whole or in part or if the invoice is prepared or submitted incorrectly in any respect, PetroleumBRUNEI shall notify the CONTRACTOR of the reasons and request the CONTRACTOR to issue a credit note for the unaccepted part or whole of the invoice as applicable. Upon receipt of such credit note PetroleumBRUNEI shall be obliged to pay the undisputed part of a disputed invoice.

On settlement of any dispute, the CONTRACTOR shall submit an invoice for sums due and PetroleumBRUNEI shall make the appropriate payment in accordance herewith.

The CONTRACTOR shall submit an invoice for the appropriate payment within one hundred and eighty (180) days from the date of acceptance of the WORK or SERVICES by PetroleumBRUNEI. PetroleumBRUNEI shall have no obligation to make payment for invoices received after this date.

All amounts invoiced under the PURCHASE ORDER shall be deemed to include all and any taxes, levies, social securities and other charges and duties imposed in connection with the provision of the WORK or SERVICES.

PetroleumBRUNEI may withhold approval and/or payment due to the CONTRACTOR under this PURCHASE ORDER if the WORK or SERVICES (or any part thereof) are unsatisfactory as described in Clause 8.

7. Access

Where applicable, the CONTRACTOR will allow PetroleumBRUNEI to expedite and inspect any WORK or SERVICES that is required to be performed at the CONTRACTOR's premises on reasonable prior notice. Any expediting and inspection, or any failure to do so shall in no way relieve the CONTRACTOR of its obligations as specified in the PURCHASE ORDER.

8. Standards & Specifications

The CONTRACTOR will ensure that the WORK or SERVICES will meet PetroleumBRUNEI's requirements with regards to any standards, quality, workmanship, fitness for purpose, quantity or specifications, which are set out in the PURCHASE ORDER.

9. Correction of Unsatisfactory Work or Services

The CONTRACTOR will remedy or rectify any WORK or SERVICES (or any part thereof) that is unsatisfactory. The CONTRACTOR's obligation shall cease 12 months from the performance of the WORK or SERVICES.

10. Patent Indemnity

The CONTRACTOR shall save, indemnify, defend and hold harmless PetroleumBRUNEI GROUP 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 CONTRACTOR under the PURCHASE ORDER except where such infringement necessarily arises from the job specification and/or PetroleumBRUNEI's instructions.

However, the CONTRACTOR shall use its reasonable endeavours to identify any infringement in the job specification and/or PetroleumBRUNEI's instructions of any patent or proprietary or protected right, and should the CONTRACTOR become aware of such infringement or possible infringement then the CONTRACTOR shall inform PetroleumBRUNEI immediately.

PetroleumBRUNEI shall save, indemnify, defend and hold harmless the CONTRACTOR 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 PetroleumBRUNEI under the PURCHASE ORDER or the use by the CONTRACTOR of the job specification or materials or equipment supplied by PetroleumBRUNEI.

11. Acceptance

Acceptance shall be from the time when a duly authorised employee or representative of PetroleumBRUNEI accepts the WORK or SERVICES as having been completed, and where such WORK or SERVICES are not performed unsatisfactorily in any way and comply with the PURCHASE ORDER. In the event that unsatisfactory WORK or SERVICES or any breach of the PURCHASE ORDER is identified by PetroleumBRUNEI, it shall be deemed not to have accepted the WORK or SERVICES until such time as such unsatisfactory performance or breach is remedied by the CONTRACTOR.

Such acceptance shall be within a reasonable time of performance of the WORK or SERVICES, but shall be without prejudice to the CONTRACTOR's liability for any unsatisfactory WORK or SERVICES or any breach of the PURCHASE ORDER that is not identified by such duly authorised employee or representative of PetroleumBRUNEI at the time of acceptance.

12. Termination

The PURCHASE ORDER may be terminated as follows:-

- a) Either party may terminate the PURCHASE ORDER in the event that the other party is in breach of a condition of the PURCHASE ORDER; or
- b) PetroleumBRUNEI may terminate the PURCHASE ORDER upon written notice to the CONTRACTOR if (i) CONTRACTOR is in breach of its obligations and, if such breach can be remedied, fails to resolve said breach within a period of thirty (30) days after having received such written notice, or (ii) CONTRACTOR commits a breach which cannot be resolved; or
- c) Either party may terminate the PURCHASE ORDER by serving a written notice to the other party if a Force Majeure (Clause 18) lasts for more than thirty (30) consecutive days; or
- d) PetroleumBRUNEI may terminate the PURCHASE ORDER immediately upon written notice to the CONTRACTOR, if the CONTRACTOR becomes bankrupt or insolvent, or if the CONTRACTOR's business is placed in the hands of a receiver whether by voluntary act of the CONTRACTOR or if the CONTRACTOR undergoes any proceeding equivalent to the earlier; or
- e) PetroleumBRUNEI may terminate the PURCHASE ORDER at its convenience by serving a forty-five (45) days prior written notice to the CONTRACTOR.

In the event of termination, the only remaining commitment will be for PetroleumBRUNEI to pay for WORK or SERVICES already accepted by PetroleumBRUNEI but not yet paid for. Provided there is no breach of the CONTRACTOR's obligations, in such event PetroleumBRUNEI shall pay, and the CONTRACTOR shall accept in settlement of all claims under the PURCHASE ORDER, such sums as shall reasonably compensate

it for all WORK or SERVICES done and obligations assumed by it in performance of the PURCHASE ORDER prior to its termination and for all WORK and SERVICES reasonably done by the CONTRACTOR in giving effect to such termination.

13. Insurance

PetroleumBRUNEI and the CONTRACTOR shall maintain levels of insurance sufficient to cover their respective liabilities and obligations under the PURCHASE ORDER and at law.

14. Confidentiality

PetroleumBRUNEI and the CONTRACTOR shall keep the PURCHASE ORDER and any information which either party may learn about the other in strict confidence, and will not disclose the same to any third party without the prior written consent of the other party.

The CONTRACTOR shall not publicize information that PetroleumBRUNEI has engaged with the CONTRACTOR nor use PetroleumBRUNEI's name in any website, brochure, advertisement or publication.

15. Variations

With reasonable prior notice, PetroleumBRUNEI shall have the right to make variations to the PURCHASE ORDER. Should such variation(s) prompt an increase or decrease in costs, the CONTRACTOR shall notify PetroleumBRUNEI within three (3) working days from the receipt of such variation notice. Failure by the CONTRACTOR to do so shall represent an unconditional disclaimer by the CONTRACTOR to make a claim for any variations and be deemed acceptance to perform the variation under the relevant circumstances.

The CONTRACTOR shall not have the right to make variations to the PURCHASE ORDER unless expressly agreed by PetroleumBRUNEI. The CONTRACTOR shall discuss any variations to the PURCHASE ORDER and agree on resulting changes to any of the details shown in the PURCHASE ORDER.

16. Force Majeure

Neither PetroleumBRUNEI nor the CONTRACTOR shall be responsible for any failure to fulfil any term or condition of the PURCHASE ORDER if and to the extent that fulfilment has been delayed or temporarily prevented by a force majeure occurrence as hereunder defined, which has been notified in accordance with this Clause and which is beyond the control and without the fault or negligence of the party affected and which, by the exercise of reasonable diligence, the said party is unable to provide against.

For the purposes of this PURCHASE ORDER only the following occurrences shall be considered as force majeure:

- (a) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power;

- (b) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (c) Pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
- (d) Earthquake, flood, fire, explosions and/or other natural physical disaster, but excluding weather conditions as such, regardless of severity;
- (e) Strikes at a national or regional level or industrial disputes at a national or regional level, or strikes or industrial disputes by labour not employed by the affected party its sub-contractors or its suppliers and which affect a substantial or essential portion of the WORK or SERVICES;
- (f) Maritime or aviation disasters; and
- (g) Changes to any general or local Statute, Ordinance, Decree, or other Law, or any regulation or bye-law of any local or other duly constituted authority or the introduction of any such Statute, Ordinance, Decree, law, regulation or bye-law.

17. Transfer of PURCHASE ORDER

Neither PetroleumBRUNEI nor the CONTRACTOR shall at any time sub-contract or assign any part of their respective rights or obligations under this PURCHASE ORDER to any other person, without first obtaining the other party's prior consent which shall not unreasonably be withheld or delayed. Any purported assignment without such consent shall be null and void. Nevertheless, PetroleumBRUNEI shall have the right to assign, in whole or in part, its rights and obligations under the PURCHASE ORDER to any of its Affiliates.

The CONTRACTOR shall be responsible for the performance, acts or omissions of its sub-contractors as if it was their own performance, acts or omissions.

18. Applicable Law, Invalidity and Severability

The validity, construction and performance of this PURCHASE ORDER shall be governed by the laws of Brunei Darussalam. Any dispute between the parties, which is not resolved amicably, shall be subject to the jurisdiction of the Courts of Brunei Darussalam.

If any provision of this PURCHASE ORDER shall be found by the Brunei Courts to be invalid or unenforceable, the invalidity or unenforceability shall not affect the other provisions of this PURCHASE ORDER and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. PetroleumBRUNEI and the CONTRACTOR agree to attempt to substitute, for any invalid or unenforceable provision, a valid or enforceable provision that achieves to the greatest possible extent, the economic, legal and commercial objectives of the invalid or unenforceable provision.

PetroleumBRUNEI enters into the PURCHASE ORDER for itself and as agent for and on behalf of the other CO-VENTURERS. Notwithstanding the above:

(a) the CONTRACTOR agrees to look only to PetroleumBRUNEI for the due performance of the PURCHASE ORDER and nothing contained in the PURCHASE ORDER will impose any liability upon, or entitle the CONTRACTOR to commence any proceedings against any CO-VENTURER other than PetroleumBRUNEI; and

(b) PetroleumBRUNEI is entitled to enforce the PURCHASE ORDER on behalf of all CO-VENTURERS as well as for itself. For that purpose PetroleumBRUNEI may commence proceedings in its own name to enforce all obligations and liabilities of the CONTRACTOR and to make any claim that any CO-VENTURER may have against the CONTRACTOR.

19. Audit Rights, Record Keeping

The CONTRACTOR shall maintain, either physically, by electronic media or on microfilm, all books, accounts, records, original documents and information related to the PURCHASE ORDER in connection therewith for a period of five (5) years after the PURCHASE ORDER's end date. Such records and information shall include at a minimum all invoices for payment submitted by the CONTRACTOR to PetroleumBRUNEI along with supporting documentation. The CONTRACTOR shall ensure that any related third party contractors comply with the requirement of this Clause.

PetroleumBRUNEI shall have the right to audit all information, rates and costs and expenses related to the PURCHASE ORDER at any time during and within five (5) years after its expiry. PetroleumBRUNEI shall have the right to reproduce and retain copies of any of the aforesaid records or information. Where required by PetroleumBRUNEI, the CONTRACTOR shall implement all agreed recommendations arising from the audits within a time scale, mutually agreed with PetroleumBRUNEI.

Upon PetroleumBRUNEI's request the CONTRACTOR will, as soon as reasonably practicable, provide PetroleumBRUNEI with all records relating to the PURCHASE ORDER which are created or kept by any related third party contractors.

20. Code of Conduct & Ethics

The CONTRACTOR acknowledges that it has been made aware of PetroleumBRUNEI's Code of Conduct and Ethics which can be found at www.petroleumbornei.com.bn. The CONTRACTOR shall adhere to the principles contained in such Code of Conduct and Ethics (or where the CONTRACTOR has adopted equivalent principles, to those equivalent principles) in all its dealings with, for or on behalf of PetroleumBRUNEI in connection with the PURCHASE ORDER and the business resulting therefrom.

In the event that the CONTRACTOR employs staff that represent PetroleumBRUNEI, the CONTRACTOR commits that such staff will behave in a manner that is consistent with the PetroleumBRUNEI Code of Conduct and Ethics. The CONTRACTOR shall notify PetroleumBRUNEI immediately if it becomes aware of any behaviour by staff of PetroleumBRUNEI or the CONTRACTOR or any related third party contractor which is, or may be, inconsistent with such Code of Conduct and Ethics (or where the CONTRACTOR has adopted equivalent principles, with those equivalent principles).

For avoidance of doubt, PetroleumBRUNEI's employees are not permitted to accept or solicit gifts which includes without limitation to loans, entertainment or other substantial favours from the CONTRACTOR. The CONTRACTOR agrees to inform PetroleumBRUNEI immediately of any act or PetroleumBRUNEI's employee(s) not in compliance with the foregoing.