

PTT Exploration and Production Public Company Limited
GENERAL TERMS AND CONDITIONS OF ORDER

A. FOR PURCHASE AND SERVICE ORDER

1. IMPORTANT NOTICE

- a) The present Purchase/Service Order shall become a binding contract between **PTT Exploration and Production Public Company Limited** hereinafter referred to as COMPANY, and Vendor upon acceptance by Vendor.
- b) Unless otherwise specified, all prices for the Goods and/or services stipulated in the Purchase/Service Order are firm and definitive and not subject to revision, escalation or adjustment due to currency fluctuations or any other reason. The prices are fully inclusive of all cost, risk and profit related to Vendor's performance under the Purchase/Service Order.
- c) The Purchase/Service Order number shall be indicated on all correspondence and invoices.
- d) For the purpose of Purchase/Service Order, Vendor shall act as an independent vendor, supplier or contractor, not as an agent of COMPANY.
- e) "Goods" means all or any and every part of the tangible property, including without limitation material, machinery, equipment, supplies, articles, items, and/or tangible information ("tangible information" means recorded information, regardless of form or characteristic; for example, software, writings, drawings, and similar recordings on or in a tangible medium) and, where the context so requires, work and services described in the Purchase/Service Order and to be supplied and/or performed or rendered, and guaranteed, by Vendor.
- f) "Vendor" means the person, firm or company designated as such in the front terms and to which the Purchase/Service Order is issued, including the legal successors and permitted assigns thereof. Vendor shall have the same meanings with CONTRACTOR and Supplier.
- g) Vendor shall comply with the Applicable Laws. "Applicable Law" means all laws and any other rules and regulations which Vendor is required to comply in relation to this Purchase/Services Order.

2. LIABILITY

Vendor shall be liable for any loss or damage incurred by COMPANY due to Vendor's or his suppliers' non-compliance with the terms and conditions of the Purchase/Service Order. Vendor shall not, however, be liable for any consequential loss or damage incurred by COMPANY unless such consequential loss or damage is due to willful misconduct or gross negligence of Vendor.

3. LIENS AND CLAIMS

Vendor shall defend, indemnify and hold COMPANY harmless from and against all liens and claims that attach to the Goods or services and all costs, damages and expenses incidental thereto. COMPANY shall have the right to settle any such liens and claims and to deduct from the Purchase/Service Order price all costs of settlement.

4. INVOICING

Unless otherwise stipulated, invoices together with supporting documents shall be made out in one original, clearly stamped as original, and three (3) copies and sent to:

PTT Exploration and Production Public Company Limited
Energy Complex Building A, Floor 6, 19-36
555/1 Vibhavadi Rangsit Road,
Chatuchak, Bangkok 10900, THAILAND

Attention: Accounting Department

5. CANCELLATION

- a) If the Vendor fails to fully comply with the Purchase/Service Order for whatever reason and/or if the delay on delivery or performance completion exceeds 50 calendar days, COMPANY may notify in writing the cancellation of the Purchase/Service Order in full or any part thereof without prior notice and without compensation. In such case, COMPANY may purchase Goods or contact the service from a third party and back charge the difference of expenses to the Vendor. Besides, a penalty of 5 percent of the Purchase/Service Order amount shall be applied, inclusive of the liquidation of the performance bond if any.
- b). COMPANY has the right at any time to cancel this Purchase/Service Order in full or any part thereof. Such intent to cancel shall be notified by COMPANY to Vendor by written notice. And if Vendor is not in default COMPANY shall be responsible for any costs associated with the Goods and services covered under this Purchase/Service Order and incurred by Vendor up to the percent of completion and point of cancellation (spare parts excluded), provided however that under no circumstances shall the total cancellation payment above exceed the total price of the Purchase/Service Order. These costs shall be itemized and presented to COMPANY for approval.
- c). COMPANY may take possession of any finished Goods or materials as a result of the cancellation.

6. SAFETY

Vendor shall at no cost to COMPANY and without delay to the work or service ensure that it and all Vendors' personnel, subcontractors, and sub-vendors employed or retained by them are fully aware of and comply with all applicable laws, legislation, regulations, COMPANY's current Safety, Health, Environmental, Training and Auditing requirements and Permit To Work systems and all restrictions applicable to both COMPANY's work sites and the work or service. For work undertaken offshore COMPANY shall require acceptable evidence of medical fitness and recent training in offshore emergency and survival techniques. Vendor shall furnish COMPANY with copies of the Safety Policy and Records of both him and his sub-vendors. Vendor shall ensure that all its personnel attend a site safety induction course on arrival at any COMPANY worksite.

7. GOVERNING LAW

The present Purchase/Service Order shall be governed by the laws of Thailand.

8. SETTLEMENT OF DISPUTES

Any dispute, controversy or claim arising out of or relating to this Purchase/Service Order, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Arbitration Rules of The Thai Arbitration Institute, Office of the Judiciary applicable at the time of submission of the dispute to arbitration. The conduct of the arbitration thereof shall be in English language and shall be under the auspices of the Thai Arbitration Institute, Bangkok, Thailand.

The commencement of arbitration proceeding shall not cause any stoppage or delay in the performance of the Purchase/Service Order.

9. ACCEPTANCE OF THE ORDER

No deviation or exception submitted or referred to by Vendor in his quotation or any other document shall form part of the Purchase/Service Order unless otherwise agreed to in writing by COMPANY. Acknowledgement of receipt of the Purchase/Service Order must be returned to COMPANY duly signed by an authorized executive of the Vendor and must bear appropriate stamp, as a legal binding document of the acceptance of the terms and conditions stated in the Purchase/Service Order. Failure to return acknowledgement of receipt of the Purchase/Service Order within 15 consecutive days after the date of the Purchase/Service Order

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shall imply unconditional acceptance of the terms and conditions of the Purchase/Service Order by Vendor.

ii) that it was acquired from a third party which was entitled to disclose it.

10. PAYMENT AND TAXES

a) Unless otherwise stipulated, an invoice shall not be sent prior to the delivery of the Goods or works to COMPANY satisfaction. All properly established invoices received by COMPANY in its office from the 1st to the 15th of each month will be paid within the 16th of the following month, and all properly established invoices received by COMPANY in its office from the 16th to the end of the month, will be paid within the end of the following month. COMPANY shall not be required to make partial payment against any invoice in dispute. If Vendor requires payment against any undisputed portion of such invoice then it shall issue a credit note against the full amount of the invoice and submit a separate invoice for the undisputed portion only. Transaction is subject to the prevailing Tax Regulations of the Kingdom of Thailand.

Should any conversion of currencies be required, the basis for such conversions shall be the average of the closing buying and selling rates, announced by the Bank of Thailand one working day before the payment date.

b) Vendor shall assume full and exclusive liability for payment of all taxes, duties, levies, charges and fiscal contributions and other charges including but not limited to withholding taxes, commercial tax, personal income taxes, property taxes, capital gain taxes, turn over taxes and/or corporate taxes that are from time to time imposed on Vendor or its subcontractors and sub-vendors and its or their employees, directly or indirectly imposed by or payable to any government with related to the Purchase/Service Order.

11. LIQUIDATED DAMAGES FOR LATE DELIVERY

For any delays in commencement of works or completion of works or delivery of Goods beyond the requirement date (completion date or delivery date) stipulated in this order or agreed by COMPANY, COMPANY will be entitled to recover from the Vendor 0.1% of the total amount of the order for each day of delay until actual commencement of works or acceptance of works or Goods. Liquidated damages are limited to a maximum amount of ten (10) percent of the total amount of the order.

12. APPLICABILITY

The Purchase/Service Order shall be solely governed by these general conditions of purchase/service and, if declared applicable in the Purchase/Service Order, the further conditions of purchase/service any other terms and conditions as specified in the Purchase/Service Order hereinafter referred in as "specific conditions". In case there is any conflict between the applicable terms and conditions, the order of prevalence shall be as follows:

- (1) Specific/Particular conditions
- (2) Further conditions of purchase/service
- (3) General conditions of purchase/service

13. CONFIDENTIAL

Vendor shall hold in strict confidence all information that it could be cognizant of in relation to the performance of the Purchase/Service Order and shall ensure that similar confidentiality is observed by his personnel or servants, except however information:

- which was already in the public domain at the date of its disclosure ; or
- for which Vendor could evidence by supporting documents bearing an established date:
 - i) that it was the result of its own developments before the date of its disclosure ; or

14. INTELLECTUAL PROPERTY

Vendor shall be solely liable for the consequences of any and all patent, license, copyright or any other intellectual or industrial property right infringements constituted by any of the items he may provide or operations he may perform hereunder.

In the event of an action being brought against COMPANY by any third party on the ground of such infringement in relation to the Purchase/Service Order, Vendor shall hold harmless and indemnify COMPANY for the expenses on the action and the full amount of any award made against COMPANY.

15. BUSINESS ETHICS

Vendor represents and warrants that Vendor shall carry on his business with honesty, integrity, and fairness in all aspects.

Vendor acknowledges that COMPANY is a participant of the United Nations Global Compact (UNGC), and supports principles contained in Universal Declaration of Human Right (UDHR) and the International Labour Organization's Declaration on Fundamental Principle and Right at Work. Vendor shall, therefore, comply with all principles related to human right, labour, environment, and anti-corruption contained in UNGC, UDHR, and International Labour Organization's Declaration on Fundamental Principles and Right at Work.

Vendor shall ensure that his personnel and suppliers shall be bound and fully comply with the above obligations. Vendor shall allow COMPANY to audit or investigate the information or documentation related to this article.

16. SUBCONTRACT/ASSIGNMENT

Vendor shall obtain COMPANY's prior written consent to any proposed subcontract or assignment of any or all of Vendor's rights, duties or obligations under the Purchase/Service Order. COMPANY may assign at any time its rights and obligations under this Purchase/Service to any affiliates or to any person.

B. FOR PURCHASE ORDER

1. MARKING

Each package shall be numbered and marked as follows:

- Name and address of the COMPANY
- Purchase order number
- Dimensions (metric)
- Gross and net weight per package.

2. PACKAGING

The prices of Purchase Order expressly include all costs associated with containers, packing cases, boxes, tins, wrappings and other packaging material that are suitable for air, sea and land transportation, which Vendor is required to supply (all of which shall be considered as non-returnable to Vendor) and all preparation, packing, boxing, crating, freight, or other special Services of any kind. Packaging shall be suitable for the Goods and appropriate for the method of transport used. Dimensions shall comply with the specifications necessary for the transport method used. If the Goods are classified as "dangerous", the Vendor shall provide all the necessary packaging and documents required by applicable regulations.

3. INSPECTION AND TESTING

The Vendor organizes at his own risk and expenses the inspection and tests as and when required in the particular conditions of the Purchase Order and undertakes to provide COMPANY inspectors with any and all technical information reasonably necessary to this end.

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COMPANY may, at its own expense, require the Vendor to organize any additional and/or not contractual inspection of the Goods and the Vendor shall organize and facilitate such inspection at the manufacturer's plant and/or at any mutually agreed place.

4. DELIVERY

The Goods shall be properly packed and secured by Vendor in such a manner as to reach their destination in good condition under normal conditions of transport. The Goods shall be delivered by Vendor at, or dispatched for delivery to, the place(s) and in the manner specified in the Purchase Order, or as may hereafter be subsequently agreed in writing. The Goods shall be delivered with the required certification documents. Delivery of the Goods shall be interpreted in accordance with INCOTERMS 2010 as modified. Unless otherwise stipulated no partial delivery will be accepted.

5. GUARANTEE AND WARRANTY ON GOODS

Vendor guarantees that the Goods will conform to the specifications of the Purchase/Service Order and warrants the Goods free from defects in material and workmanship for a minimum period of eighteen (18) months from the date of delivery or twelve (12) months from the date on which the Goods are placed in use or operation, whichever is the shorter. COMPANY reserves the right to reject any Goods, which are not in accordance with the specifications of the Purchase/Service Order. At COMPANY option, Vendor shall promptly repair or replace, at Vendor's own cost and expense, any Goods found to be defective during the warranty period. Transportation charges to Vendor's facility and return will be paid by Vendor.

6. GOODS

The Goods shall conform with all laws and regulations pertaining thereto, conform with the Purchase Order and the specification pertaining thereto or where no specification exists, be in accordance with the relevant British standard(s), conform with best professional practices, be fit for purpose if such purpose is indicated, otherwise be fit for their ordinary purpose.

C. FOR SERVICE ORDER

1. RESOURCES

- i. Personnel
All Vendor's personnel shall be trained, skilled and experienced in their respective trades and professions. COMPANY shall be entitled to require the prompt removal, replacement or retention of any person employed or retained by Vendor at any time during the course of the Service Order. Shifts, hours of work, offshore exercises and work cycles shall be subject to COMPANY Rules and Regulations.
- ii. Equipment
Vendor shall carry out on its own initiative and at its own cost all inspection, maintenance and repair of its owned and hired equipment necessary to maintain the same safe, fully certified and operational at all time.

2. WARRANTIES

Vendor warrants that the services shall be executed diligently in accordance with the Service Order and the specification pertaining thereto or where no specification exists, be in accordance with the best current international standards and practices, and be free from all errors, defects and failures for a period of twenty-four (24) months from their acceptance in accordance with the Service Order. Without prejudice to COMPANY rights at law, upon notification by COMPANY of any such error, defect or failure then Vendor shall immediately rectify, or at COMPANY option, replace or re-perform the services at no cost to COMPANY and warrant any replaced or re-performed services for further periods of twenty-four (24) months from completion of any such rectification, replacement or re-performance to COMPANY's satisfaction.

3. VARIATIONS

COMPANY shall be entitled to order any variations to the services that are within the reasonable capability of Vendor. The term variation shall refer to any alteration in the type or extent of the services being a modification, omission or addition but not merely a closer definition, a minor change in detail or the manner in which the Service Order is to be performed. Unless otherwise agreed any modification to the value or duration of the Service Order resulting from such an order shall be calculated by reference to the value and duration of the Service Order prior to modification. No variation shall have any effect unless authorized in writing by COMPANY prior to performance of such alteration in the services.
