

GENERAL CONDITIONS OF CONTRACT

1. Definitions

- 'The Contractor' means Land & Marine Project Engineering Ltd a wholly owned subsidiary of Daniel Contractors Limited.
- 'The Purchaser' means the Client with whom the Division contracts;
- 'The Works' means all plant to be provided and work and services to be undertaken by the Contractor under the Contract;
- 'The Contract' means the contract entered into between the Purchaser and the Contractor;
- 'Takeover' means the date at which the Works are substantially complete.

2. Payment

UK Contracts

Unless otherwise agreed between Purchaser and Contractor, invoices shall be submitted monthly by the Contractor for material supplied and services undertaken in the month. Payment for such interim invoices shall be made within thirty days of the date of receipt of the invoice by the Purchaser. Interest will be charged on any delays to payment of invoices at Bank of Scotland Base Rate + 2% per annum. Monthly invoices shall include, where relevant, design work and those materials received by the Contractor prior to delivery to site. No retentions shall apply to interim invoices or the final payment at takeover.

Should there be any increase or decrease in the rate of any tax payable by the Contractor in the course of business, or the imposition of any such tax after the date of tender or during any extension of the Contract period, caused by any reason other than the default of the Contractor, all extra expense thereby incurred by the Contractor, in relation to performance of the Contract, shall be added to the contract price. In the case of any decrease in, or removal of, such tax as aforesaid, an appropriate allowance shall be made by the Contractor to the Purchaser.

Overseas Contracts

Unless otherwise agreed between Purchaser and Contractor, payment will be made by a Confirmed Irrevocable Letter of Credit, drawn on the Bank of Scotland and made payable at sight of shipping documentation. The terms and conditions of the letter of credit will be agreed prior to acceptance of the order.

3. Programme

Notwithstanding any dates quoted in the Contractor's tender, the contract programme dates shall be agreed between the Purchaser and Contractor at the time of tender acceptance. Unless otherwise agreed between Purchaser and Contractor, the programme dates shall have only bona fide status.

The time specified in the Tender for the completion of the Works shall be subject to the Purchaser supplying all necessary drawings, instructions, information and facilities in due time to enable work to be started and continued in accordance with the Contractor's programme.

The Contractor shall not be liable for any delay caused by civil commotion, local or national combination of workers, strikes or lock-outs, fire accident or for any other cause whatsoever beyond his control. In the event of any delays so caused, the contract period shall be extended accordingly.

Should the contract period be extended as a result of the Contractor being prevented from, or delayed in, proceeding with the Works for any reason, other than the default of the Contractor, the Contractor shall be entitled to place goods and materials intended for the Works in safe storage, at the Purchaser's expense and be paid therefore as if delivered to site and all extra expense thereby incurred by the Contractor shall be added to the contract price.

All reasonable endeavour will be made by the Contractor to carry out the work within the period stipulated or, if no period is so stipulated, within a reasonable time but, if through any cause beyond his control, other than the contractor's insolvency, he shall fail to complete the work, he shall not be liable for such failure and shall be entitled to receive, within one month from cessation of work, through any such cause, payment for work done and plant and materials delivered or assigned to the contract, together with payment for all additional costs occasioned by such failure.

If the Contractor shall be involved in direct loss and/or expense by reason of the regular progress of the works having been impeded by any act, omission or default of the Purchaser, or by delay on the part of contractors or tradesmen engaged by the Purchaser in executing work not forming part of the contract, then the amount of such loss will be ascertained and added to the Contract sum. This clause shall not prejudice any other rights or remedies of the Contractor.

4. Variations

Variations to the Works which involve an addition to, or deduction from, the contract price, shall be undertaken by the Contractor only on receipt of a written instruction from an authorised signatory of the Purchaser. The Contractor shall calculate the cost and programme implications promptly and confirm them prior to commencement of the work. However, when this is not feasible, the Contractor shall endeavour to determine the cost and programme implications within a period of two weeks from the Purchaser's instruction to proceed.

Where additional work is costs on a cost plus basis, then there will be an addition of 15% to cover Head Office overhead and profit.

A provisional sum, if included in the Tender, shall be expended or used as the Purchaser may, in writing, direct and not otherwise and, if not expended or used, shall be deducted from the contract price.

The expenditure of provisional sums and charges for other work additional to that provided for in the Tender shall, in the absence of a supplementary Tender, be reimbursed to the Contractor by the Purchaser at agreed daywork rates and agreed material purchase rates.

5. Warranty Period

The Contractor warrants the replacement or repair of defective parts or defective workmanship which appear in the Works during the period of twelve months from takeover of the works. The warranty applicable to replaced or repaired parts or workmanship shall be the residue of elapsed time, from the appearance of the defect to the end of the original warranty. The Contractor responsible for repair or replacement of defective parts or workmanship will be limited to the repair or replacement of those defective parts only, and not for any consequential costs or losses of the Purchaser.

6. Insurance

The Contractor will effect Employer's Liability, Third Party and Contractor's All Risk insurance cover to the levels quoted below and will indemnify the Purchaser, under such cover, against liabilities to other persons, including the servants and Agents of the Contractor, for bodily injury or damage to property which may arise out of or in consequence of the executions of the Works and which arise from Contractor's default under the Contract:

Employers Liability	- £10m
Public Liability	- £5m
Contractor's All Risk	- £2m per contract
Professional Indemnity	- £5m

7. Contractor's Liability

a) The Contractor's liability to the Purchaser under the Contract will be limited to the correction and replacement of defective drawings, data, material and/or workmanship, save for liabilities to third parties for which indemnity is provided under the Contractor's insurance policy. Except as may be expressly provided in the Contractor's tender, neither the Contractor nor the Purchaser shall be liable to each other by way of indemnity or by reason of any breach of the contract or of statutory duty or by reason of tort (including but not limited to negligence) for any loss of profit, loss of use, loss of production, loss of contracts or for any financial or economic loss or for any indirect or consequential damage whatsoever that may be suffered by the other.

b) Where under the Contract the Purchaser provides basic design or process expertise then the responsibility for the efficacy of that basic design or process rests with the Purchaser. The Contractor's responsibility will be limited to ensuring that the detail design and installation meet the criteria agreed between Purchaser and Contractor.

c) The Contractor's liability to the Purchaser for whatever cause arising from breach of contract shall not exceed the contract price.

8. Site Services and Accommodation

The Purchaser will provide reasonable use (free of charge) of such site services as are necessary for the Contractor to undertake the Works. Such services will include, as a minimum, electrical power, potable water, compressed air and use of sanitary facilities. The Purchaser will provide a site area, inclusive of vehicle parking, as close as is reasonably practical to the work area.

The Contractor will provide his own site accommodation, inclusive of telephones, unless agreed otherwise.

9. Termination

In the event that the contract is terminated or repudiated, due to factors not attributable to the Contractor, then the Purchaser will reimburse the Contractor for outstanding costs to date, plus an allowance of 15% for profit and overhead, plus all reasonable demobilisation, administration and cancellation charges incurred by the Contractor.

10. Applicable Law

The Contract shall, in all respects, be governed by and interpreted in accordance with the exclusive jurisdiction of the English Courts and the Laws of England.