

ICR NORWAY AS
GENERAL TERMS AND CONDITIONS FOR
SALE OF GOODS, PERFORMANCE OF SERVICES AND HIRE OF GOODS
JUNE 2016

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| 1. | FIELD OF APPLICATION | 2.5 | “ Goods ” means materials, equipment, documentation and other goods to be delivered by the Supplier to the Customer pursuant to a Purchase Order as confirmed by an order confirmation. |
| 1.1 | The following General Terms shall apply for all orders issued by Customer to Supplier unless otherwise specifically agreed. The General Terms shall also apply for future business transactions conducted between the Supplier and the Customer, even if they are not referred to or enclosed in the individual future case(s). | 2.6 | “ Hired Goods ” means any Goods which in accordance with the relevant Purchase Order as confirmed by the Supplier shall be rented by a Customer from the Supplier. |
| 2. | DEFINITIONS | 2.7 | “ Price ” means the total price of a Purchase Order, as originally set out or later amended, in relation to either the total price for Goods and/or Services and/or the rates for the Hired Goods. |
| 2.1 | “ Customer ” means the legal entity purchasing Goods and Services from the Supplier pursuant to a Purchase Order. | 2.8 | “ Purchase Order ” means any order issued by the Customer for Goods, performance of Services or specification of Hired Goods to be delivered by the Supplier to the Customer. |
| 2.2 | “ Customer Group ” means Customer, its subsidiaries and affiliates, co-venturers, joint interest owners, co-licensees, other contractors and subcontractors, clients, client's other contractors and subcontractors and the respective employees, directors, agents and/or officers of all the above. | 2.9 | “ Section ” means an article of these General Terms. |
| 2.3 | “ Force Majeure ” means an occurrence of an event preventing a part from compliance with its obligations beyond the control of that party affected, provided that such party could not reasonably have foreseen such event at the time of issuance of the Purchase Order in question and could not reasonably have avoided or overcome it or its consequences. | 2.10 | “ Services ” means services to be provided by the Supplier to the Customer pursuant to a Purchase Order. |
| 2.4 | “ General Terms ” means these general terms and conditions for sale forming an integral part of the Purchase Order and order confirmation to which it relates. | 2.11 | “ Supplier ” means ICR Norway AS and its subsidiaries, affiliates or other entities which may or may not supply the Goods, perform the Services or deliver the Hired Goods on behalf of ICR Norway AS at any time. |
| | | 2.12 | “ Supplier Group ” means Supplier and its subsidiaries and affiliates, subcontractors, and the respective employees, directors, |

- agents and/or officers of the above
- 2.13 "third party" means any party which is not a member of the Supplier Group or the Customer Group.
3. **OFFER, ORDER AND ORDER CONFIRMATION**
- 3.1 Any purchase of Goods, ordering of Services or Hired Goods shall be made by Customer issuing to Supplier a Purchase Order, specifying in detail the Goods to be supplied, the Services to be performed, and/or the Hired Goods to be rented.
- 3.2 The Customer is responsible to Supplier for ensuring the accuracy of the details contained within any Purchase Order (including any applicable specification) submitted by the Customer.
- 3.3 The Supplier shall confirm the Purchase Order within 10 business days as of receipt. Attached to the said order confirmation the General Terms shall follow, or a reference shall be made therein to where the General Terms may be found.
- 3.4 If an order confirmation should diverge from the contents of the preceding Purchase Order from the Customer then the Customer shall be bound and committed by the order confirmation, unless the Customer explicitly in writing refuses the acceptance of the deviation.
4. **DELIVERY**
- 4.1 Unless otherwise set forth in the relevant Purchase Order, or the connected order confirmation, delivery of Goods from the Supplier shall be made ex. Works (EXW) Suppliers base. (in accordance with INCOTERMS 2010). All additional equipment is subject to availability at the time of a Purchase Order. For eventual third party equipment, delivery shall be made ex. works (EXW) origin base. Delivery time is to be agreed and depend on equipment availability at time of agreed Purchase Order between the parties.
- 4.2 Unless otherwise set forth in the relevant Purchase Order, and therewith connected order confirmation, goods will be made available at Supplier's base.
- 4.3 Services will be performed at such location as stated, or referred to in the order confirmation provided by Customer to Supplier
5. **VARIATIONS**
- 5.1 The Customer has the right to order variations in quality, quantity or time of delivery of the Goods and Services, or Hired Goods provided that such variations do not exceed what the parties could reasonably expect when the Purchase Order was confirmed through the order confirmation by the Supplier, and provided the Supplier is capable of supplying the Customer with such varied Goods, Services or Hired Goods.
- 5.2 Variations shall be requested by the Customer in writing. The Supplier shall within a reasonable amount of business days by written notice confirm and estimate any effects on the Price, time of delivery, schedule for any Services ordered, and any effects on technical specifications.
- 5.3 Any variation order shall be agreed and binding firstly upon written confirmation by Supplier following the Customer's acceptance of Supplier's submitted estimate on the effects of the issued variation order in question.

- 5.4 Supplier may request variations to the performance of the Services and/or the manufacture of Goods, and/or the supply of Hired Goods.
- 5.5 Any factor beyond Supplier's control (such as, but not limited to change in law, regulations, administrative practice, foreign exchange rate fluctuation, currency regulation, alteration of duties, significant increases in the cost of labour, raw material, and/or other circumstances) relevant for the execution of a Purchase Order and/or Price shall entitle Supplier to alter the agreed Price as well as time schedule for any work thereunder for the purpose of Supplier avoiding loss due to such changes. Such alteration shall be communicated in writing to Customer 20 days prior effective date of such alteration.
- 5.6 The General Terms shall also apply for any variations.
- 6. DISPUTES ON CONSEQUENCES OF VARIATION ORDERS**
- 6.1 If the parties agree that there is a variation to the work under a Purchase Order, but disagree to the effects on the Price, the Customer shall pay the undisputed amount and submit the dispute to be resolved in accordance with Section 22 of these General Terms. Unless the question on payment of the Price has not been submitted for dispute resolution within 3 months of Supplier's issue of the final variation order confirmation, then Customer shall pay Supplier the Price or compensation as set out therein.
- 6.2 If the parties disagree as to the effect on the schedule for the performance of any Services ordered, or delivery time for any Goods manufactured then the views of both parties shall be recorded on the variation order.
- 6.3 If the disagreement on the effect of such variation order with regards to the schedule for performance of any Services, supply of Hired Goods, or manufacture of Goods has not been submitted to dispute resolution in accordance with Section 22 by the Customer within 3 months of Supplier's issue of the final variation confirmation, then Suppliers position concerning the schedule shall be considered as final and binding for both parties.
- 7. TERMS OF PAYMENT**
- 7.1 Unless otherwise specifically set out in the Purchase Order, the Customer shall pay all invoices within 30 days after receipt of correct invoice.
- 7.2 The Supplier is entitled to interest on overdue payments calculated in accordance with the applicable rate pursuant to the Norwegian act regarding interest on overdue payments, as amended or replaced from time to time (currently act no. 100/1976).
- 7.3 Unless otherwise agreed, all prices are exclusive of any applicable value added taxes (VAT), taxes, withholding tax, customs or duties. If such expenses occur on Supplier – corresponding amounts will be added to the Price and invoiced to the Customer accordingly.
- 7.4 Where Supplier agrees to deliver Goods, at any other location than as stated in Section 4, Customer shall be liable to pay any charges for transport, packaging and insurance.
- 7.5 Unless otherwise agreed to by the parties, the Price in respect of Hired Goods shall be calculated from the date the Hired Goods leaves Supplier's premises until the date on which it returns to the same place.

8. DEFECTS AND GUARANTEES

- 8.1 The Supplier guarantees, for a period of 12 months following the date of delivery that Goods supplied conform with the specifications in the Purchase Order as confirmed by the order confirmation, and that the Goods are free of fault in material, workmanship, design and function.
- 8.2 Hired Goods are rented on an "as-is" basis. Supplier guarantees however that the Hired Goods upon delivery to Customer conform with the specifications in the Purchase Order as confirmed by the order confirmation, and that such equipment, subject to normal wear and tear, is free from fault in material, workmanship, design and function.
- 8.3 The Customer shall examine the Goods and/or Hired Goods upon delivery. If any defects are found, the Customer shall notify the Supplier thereof in writing immediately thereafter. Customer shall not be entitled to forward any claims towards Supplier with regards to such defects found within said examination, but not notified to Supplier in accordance with Section 8.4 or with regards to any such defects which ought to have been discovered by Customer during such examination.
- 8.4 Where the Customer has found that the Goods, and/or Hired Goods or part thereof performed by Supplier under the Purchase Order is defective, the Customer shall detailed in writing, notify Supplier within 7 business days following the discovery of the defective Goods, and/or Hired Goods. Customer's failure to notify Supplier within said amount of days will result in Customer not being entitled to issue any claims in respect of such defects.
- 8.5 If the Goods are found to be defective
- during the guarantee period – however at all times subject to the obligation for Customer to notify Supplier of defects in accordance with Section 8.4, the Supplier shall within a reasonable time be entitled to remedy such defects. The Supplier may alternatively choose to make new and substituting delivery of the Goods or re-perform services. Supplier's total liability for rectification of Goods and/or services shall not exceed 80 % of the Price.
- 8.6 Supplier is under no circumstances liable for costs relating to:
- (a) dismantling of other objects than such objects falling within the category of Goods, and installed by the Supplier to provide access to the object in question, or
 - (b) board and lodging offshore, or
 - (c) transport to, from and at the offshore location, or
 - (d) heavy lift operations offshore, or
 - (e) extra costs associated with guarantee work performed below the water line, or
 - (f) any defect arising from fair wear and tear, willful damage, negligence, abnormal working conditions, use beyond normal capacity, failure to follow Supplier's instructions, misuse of Supplier's deliveries, alteration of the Goods or Hired Goods without Supplier's written approval, or
 - (g) any liability for the Goods, Hired Goods or Services if the Price has not been paid, and
 - (h) furthermore, the warranties under these General Terms only extends to Goods and certain extent Hired Goods and do not apply with regards to the Supplier's provi-

- sions of Services or labour required to rectify any defect.
- 8.7 Any replaced/repaired/redelivered parts of the Goods shall be guaranteed by the Supplier for a renewed period with the same duration as the original guarantee.
- 8.8 The rights and remedies set out in Section 8, 9 and 10 represent the sole remedies available to the Customer in the events of defects to the Goods, Hired Goods and/or Services.
- 9. DELAY BY THE SUPPLIER**
- 9.1 If delivery of the Goods or Services has not taken place within the time of delivery set out in the Purchase Order, the Customer has the right to liquidated damages in an amount equal to 0.25 % of the Price per week of delay until delivery occurs. The Supplier's cumulative liability for liquidated damages is limited to 7.5 % of the Price, and represents the sole remedy available to the Customer in the events of delay.
- 10. TERMINATION DUE TO DEFAULT BY THE SUPPLIER**
- 10.1 The Customer has the right to terminate the Purchase Order with immediate effect by giving 10 days written notice to the Supplier, if (i) the Supplier becomes insolvent and (ii) the Supplier is in material breach of its obligations hereunder.
- 11. INTELLECTUAL PROPERTY RIGHTS**
- 11.1 Drawings, specifications, data-discs, know-how and any other information, documentation and intellectual property rights provided by the Supplier to the Customer shall remain the property of the Supplier and shall not be disclosed to any third party without the Supplier's prior written approval.
- 11.2 Nothing in these General Terms shall be deemed to stipulate a transfer of any of Supplier's intellectual property rights
- 11.3 Should the manufacture of Goods and/or performance of any Services hereunder require the Supplier to use any Customer owned and/or licensed intellectual property rights – Customer shall grant, or ensure the granting of, an irrevocable right for Supplier to use such intellectual property rights for the purpose of manufacturing Goods, or the performance of Services - as ordered in the relevant Purchase Order.
- 11.4 Customer shall indemnify and hold Supplier Group harmless from any and all claims from third parties arising out of Supplier Group's use of such intellectual property rights to which a license has been granted in accordance with Section 11.3 or otherwise in connection with any allegations of intellectual property infringements of any kind.
- 12. FORCE MAJEURE**
- 12.1 Neither of the parties shall be considered to be in default in performance of its obligations under the Purchase Order to the extent such performance has been prevented by Force Majeure.
- 12.2 The party invoking Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.
- 12.3 The party invoking Force Majeure is under an obligation to take all reasonable means to limit the effect of the impediment or event invoked upon performance of its contractual duties.
- 12.4 If the performance under the Purchase Order is prevented under this Section 12 for more than 6 months, either party shall

be entitled to terminate the Purchase Order by written notice to the other party.

13. INDEMNITY, LIABILITY

13.1 Supplier shall be responsible for and shall save, indemnify, defend and hold harmless the Customer from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of injury, death, damage, loss, destruction to the Supplier's personnel or property arising from or relating to the manufacture of Goods, supply of Hired Goods and/or performance of Services under the Purchase Order.

This shall apply irrespective of how the loss or damage is caused.

13.2 The Customer shall be responsible for and shall save, indemnify, defend and hold harmless the Supplier Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of injury, death, damage, loss, destruction to the Customer Group's personnel or property arising from or relating to the manufacture of Goods, supply of Hired Goods and/or performance of Services under the Purchase Order.

This shall apply irrespective of how the loss or damage is caused.

13.3 Neither the Customer nor the Supplier shall be liable for any consequential or indirect losses of the other, and the parties will indemnify and hold each other harmless from their own indirect or consequential losses, regardless of whether being foreseeable or not.

13.4 The Customer shall indemnify the Supplier Group from and against any claim arising out of loss or damage

suffered by a third party in connection with work under any Purchase Order, to the extent that such loss or damage is caused by negligence or breach of duty (whether statutory or otherwise) of Customer Group.

13.5 Supplier shall indemnify the Customer from and against any claim arising out of loss or damage suffered by a third party in connection with work under any Purchase Order, to the extent that such loss or damage is caused by negligence or breach of duty (whether statutory or otherwise) of Supplier.

13.6 Notwithstanding the Supplier's indemnity in Section o provided to Customer with regards to injury, death, damage, loss, destruction to the Supplier's personnel or property, Customer shall reimburse Supplier Group for loss of or damage to property, materials or equipment of Supplier Group, which occurs whilst in-hole below the rotary table, unless due to fair wear and tear or caused by Supplier's negligence.

Customer's liability for such loss or damage shall be limited to the replacement value of Supplier Group's equipment.

13.7 The Customer shall save, indemnify, defend and hold harmless the Supplier Group from and against any claim of whatsoever nature arising from pollution or contamination including without limitation such pollution or contamination emanating from a reservoir and/or from any equipment or property of the Customer Group or the Supplier Group arising from or related to the Goods or performance of Services under any Purchase Order.

13.8 The Customer shall save, indemnify,

defend and hold harmless the Supplier Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities resulting from:

- (a) Loss of or damage to any well or hole; and
- (b) Blow-out, fire, explosion, cratering or any other uncontrolled well condition (including the costs to control a wild well and the removal of debris); and
- (c) Damage to any reservoir, geological formation or underground strata or the loss of oil or gas there from.
- (d) the use of radioactive tools in relation to the Work or any contamination resulting therefrom (including retrieval and/or containment and clean up)

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of Supplier Group.

14. LIMITATION OF LIABILITY

14.1 Notwithstanding any other provision in the General Terms, Supplier's cumulative and maximum aggregate liability to the Customer arising out of or relating to or in connection with any work hereunder, whether so arising by virtue of termination, breach of contract, negligence, strict liability or otherwise at law, shall be limited to an amount equivalent to 25 % of the Price. The Customer shall be responsible for, and undertakes to save, defend, indemnify and hold harmless Supplier Group from and against all claims to the extent to which they shall exceed the said maximum aggregate liability cap.

15. TITLE TO THE GOODS, RISK

15.1 Title to the Goods and Services shall pass to the Customer when the Price has been

paid in full, and the Supplier retains in respect of the Goods any right of security for unpaid purchases as applying under section 3-14 et seq. of the Norwegian Mortgages and Pledges Act (act no. 2/1980), as amended or replaced from time to time.

15.2 Until ownership of and full title to the Goods has passed to the Customer, the Customer shall not be entitled to sell, pledge or legally dispose of the Goods until payment in full has been made to the Supplier for said Goods in accordance with these General Terms.

15.3 Risk of loss of or damages to the Goods shall pass upon delivery, cf. Section 4 above.

15.4 In case of Supplier providing Hired Goods to Customer, title to the Hired Goods shall remain with Supplier throughout the duration of the hire period. The risk for the Hired Goods shall however pass to the Customer upon delivery of the Hired Goods as per Section 4.2, and then pass back to Supplier once said Hired Goods has been returned to Supplier's premises.

15.5 Customer shall at all times when carrying the risk for Goods (but not yet having received ownership rights as per Section 15.1 to the Goods in question) or the Hired Goods, arrange for the appropriate insurance cover for the Goods or Hired Goods in question during the whole period of hire, or until having received full ownership, against theft, loss, destruction and damage and for full replacement value.

16. CONFIDENTIALITY

16.1 All of the Supplier's professional secrets and all other descriptions, procedures, models, etc, which the Customer has received from the Supplier in connection

with the delivery of Goods or Services shall be regarded as confidential information. Such information must not be duplicated or used for other purposes than the performance of the delivery. Irrespective of what is provided in Section 13.3, the Customer is liable for any losses suffered by the Supplier as a consequence of breach of this Section 16.

16.2 Neither party may disclose information about the signing, termination or content of contracts between the parties without the prior written consent from the other party.

17. TRANSFER OF RIGHTS AND OBLIGATIONS

17.1 The Supplier is at any time entitled to transfer and assign its rights and obligations hereunder. Customer shall not be entitled to transfer its rights and obligations under these General Terms without the prior written approval of Supplier.

18. TERMINATION BY SUPPLIER

18.1 Without limiting any other right or remedy available to Supplier, the Supplier may cancel, terminate or suspend the order of the Purchase Order governed by these General Terms without liability to the Customer if:

- (a) The Customer is in breach of a provision of these General Terms
- (b) The Customer is bankrupt, made subject to a winding up process, or otherwise is unable to pay its debts as they fall due

18.2 Termination as per Section 18.1 shall be made by the Supplier giving written notice to Customer, and the Customer shall upon receiving such written notice pay for all Goods received, Services performed and Hired Goods rented up to

the point of termination. The Customer shall furthermore upon such receipt of termination notice immediately arrange for the return of the Hired Goods to Supplier.

19. NON SOLICITATION OF STAFF

19.1 The Customer agrees that during the term of the Purchase Order, and for an additional period of 6 months after termination, or successful delivery of Goods, performance of Services or redelivery of Hired Goods, the Customer shall not directly or indirectly offer, or providing employment to, offer contract with or entice to leave, any employee of or contractor to Supplier engaged in the performance of deliveries made subject to these General Terms without Supplier's prior written consent.

20. HIRED GOODS

20.1 The Customer is responsible for the safe keeping of the Hired Goods throughout the duration of the hire period and must ensure they are used in a workmanlike manner, for the purpose for which they were intended and not used beyond their capacity or in a manner likely to result in undue deterioration and carry out all routine maintenance as stipulated in accompanying operating and maintenance manuals – or as otherwise specified by Supplier. Failure to carry out routine maintenance or carry out specific instructions from Supplier may cause damages to the Hired Goods and resulting in repair or replacement thereof being charged to the Customer.

20.2 The Customer must ensure that all Hired Goods are used in accordance with statutory regulations, codes of practice and working loads affecting the Hired Goods in question. The Supplier accepts no liability for damage or loss caused by inappropriate use of the Hired Goods

- during any hire period.
- 20.3 The Customer must ensure that all personnel working with the Hired Goods are suitably trained, competent and possess necessary permits to operate the Hired Goods.
- 20.4 The Customer shall allow Supplier or their insurers' access to the Hired Goods at all reasonable times throughout the duration of hire for the purposes of inspection, testing, maintenance, repairing, or replacement of the same.
- 20.5 All Hired Goods must be returned to Supplier's premises at the end of any hire period in the condition such Hired Goods were in when it was delivered to Customer, apart from damage resulting from fair wear and tear. If the Hired Goods are not in the required condition at such time, the Customer may repair the Hired Goods at the expense of the Customer, and the applicable hire rate will run until the necessary repairs have been carried out. Alternatively – the Supplier may claim damages from the Customer for the losses suffered due to the Hired Goods not being in the required condition upon return.
- 20.6 The Customer shall ensure that all Hired Goods are decontaminated as far as reasonably possible prior to return to Supplier. To the extent Hired Goods have been contaminated – the Customer shall accompany such Hired Goods in question with an appropriate material safety data sheet. Supplier reserves the right to charge the Customer for appropriate specialist disposal costs.
- 20.7 Should any loss or damage to the Hired Goods or any part thereof be caused by the Customer or any other third party, the Supplier reserves the right to charge the Customer for replacement, spares or repairs on a cost plus 10 % basis, in addition to the agreed Price for the hire, and any associated legal fees incurred.
- 20.8 The Supplier accepts no liability for loss or damage to Hired Goods during the hire period other than damage which results from fair and ordinary wear and tear as a consequence of approved use of the Hired Goods in question.
- 21. THE SERVICES**
- 21.1 The Supplier's provision of Services will commence on such day as agreed by the parties after written authorisation has been received from the Customer.
- 21.2 The provision of Services will continue until completion or termination, cancellation or suspension – whichever occurs first.
- 21.3 To the extent the Services involves work on other premises than Supplier's own premises, Customer shall provide an appropriate environment for the personnel of the Supplier.
- 21.4 To the extent the Services involves work offshore, Customer shall provide Supplier with transportation to such facilities and reasonable sleeping and living accommodation and food for the personnel in question. Customer shall assume all costs pertaining thereto, hereunder the costs of airfares and other travel costs and expenses.
- 21.5 In the event Services offshore requires rotation of Supplier personnel, Customer shall pay for any costs pertaining to such rotation.
- 21.6 Manpower will be charged on an hourly, daily, weekly or monthly basis as

applicable according to the order confirmation for the Services in question. For day rate Services, part of a day will be charged as if it were a full day. Hours expended in excess of twelve hours per day shall be chargeable.

21.7 Where mobilization date are subject to changes for reasons outside of Supplier's control, agreed standby rates will be charged to the Customer.

21.8 To the extent the Services involves work offshore following additional rates may be charged: When accommodations must be improvised and the employee is not given a bed in an approved cabin, hotbed, or by shared sleeping, an additional NOK 750, - per day will be charged

For shift and night work there will be charged an additional NOK 65, - per hour worked in the period outside of daytime hours for the installations permanent personnel. This addition will not be charged for hours already charged with overtime rate beyond 12 hours a day.

The overtime rate applies to the following days: 1. New Year's Day, Maundy Thursday, Good Friday, 1st and 2nd Easter Day, Kr. Ascension Day, 1st and 2nd Pentecost Day, 1st and 2nd Christmas Day, 1 and 17 May, and after noon 1500 Christmas and New Year's Eve.

For change shift (change from day shift to night shift or vice versa) the overtime rate applies for the next 36 hours.

22. GOVERNING LAW AND DISPUTES

22.1 The Purchase Order shall be governed by and construed in accordance with the laws

of Norway.

22.2 Any disputes that may arise from the Purchase Order shall be subject to the exclusive jurisdiction of the Norwegian courts with Stavanger city court as agreed venue.

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