

**WINTERSHALL NORGE AS  
GENERAL TERMS & CONDITIONS III FOR ONSHORE/OFFSHORE GOODS**

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## 1. DEFINITIONS

- 1.1** AFFILIATED COMPANY means the parent company of one of the parties to the CONTRACT or any company which, according to the Norwegian Public Limited Company Act (No: Allmennaksjeloven) Section 1-3, shall be regarded as a subsidiary company of the parent company or of a party to the CONTRACT.
- 1.2** COMPANY GROUP means the LICENCE GROUP, each of the participants therein, their Affiliated Companies, COMPANY's other contractors and their contractors and their subcontractors (s), and personnel employed in or engaged by the aforementioned corporate entities, and others whose services are used by COMPANY.
- 1.3** COMPANY'S REPRESENTATIVE means the person who at any time is appointed in accordance with Article 1.1.
- 1.4** COMPANY PROVIDED ITEMS means equipment, materials, and/or services to be provided by COMPANY according to the PURCHASE ORDER.
- 1.5** CONTRACT means these Conditions of Contract together with the PURCHASE ORDER.
- 1.6** GOODS means equipment or materials purchased, or to purchased by COMPANY from CONTRACTOR under the PURCHASE ORDER.
- 1.7** CONTRACTOR'S REPRESENTATIVE means the person who at any time is appointed in accordance with Article 4.1.
- 1.8** CONTRACTOR GROUP means CONTRACTOR, CONTRACTOR's AFFILIATED COMPANIES participating in the WORK, its SUBCONTRACTOR(s) and their contractors and subcontractors, participants in a joint venture or similar partnership involved in the WORK and personnel employed in or engaged by the aforementioned cooperate entities.
- 1.9** DAY means a consecutive calendar day unless otherwise stated.
- 1.10** DISPUTED VARIATION ORDER means a document issued in accordance with Article 8.6.
- 1.11** FORCE MAJEURE means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the CONTRACT and could not reasonably have avoided or overcome it or its consequences.
- 1.12** LICENCE GROUP(s) means the participants (at any time) in the actual production licence(s) operated by COMPANY for which CONTRACTOR is performing the WORK.
- 1.13** PURCHASE ORDER or PO means the document or electronic order issued by COMPANY for the ordering of the GOODS, in accordance with Article 2.
- 1.14** SUBCONTRACT means any contract between CONTRACTOR and any party, other than COMPANY or any employees of CONTRACTOR, for the performance of any part of the WORK.
- 1.15** SUBCONTRACTOR means any party (other than CONTRACTOR) to a SUBCONTRACT.
- 1.16** THIRD PARTY means any party, which is not a member of COMPANY GROUP or CONTRACTOR GROUP.
- 1.17** VARIATION means a variation to the GOODS or the WORK, made in accordance with the provisions of Article 8.
- 1.18** VARIATION ORDER means a written instruction of VARIATION issued in accordance with Article 8.
- 1.19** VARIATION ORDER REQUEST means a request submitted by CONTRACTOR in accordance with Article 8.
- 1.20** WORK means all work that CONTRACTOR is required to carry out in accordance with the provisions of the CONTRACT, including all services, GOODS and documents to be rendered or delivered in accordance with the PURCHASE ORDER.

**1.21** WORKSITE means a place where WORK is being performed.

## **2. PURCHASE ORDER**

**2.1** COMPANY has ordered the WORK, hereunder the GOODS, as required by the PURCHASE ORDER.

**2.2** N/A

**2.3** N/A

**2.4** CONTRACTOR shall refer to the PURCHASE ORDER number in all correspondence with COMPANY and when invoicing in accordance with Article 11.2.2.

**2.5** N/A

**2.6** These Conditions of Contract shall exclude all other general or special terms and conditions which CONTRACTOR may seek to impose or incorporate in the CONTRACT between the parties, or which may be implied by law, trade custom, practice or course of dealing, unless otherwise agreed in between the parties in a written amendment to the CONTRACT. However, in case CONTRACTOR has not fulfilled its obligations in accordance with a PURCHASE ORDER at the time the CONTRACT expires, the CONTRACT shall remain in force with regard to said PURCHASE ORDER until the CONTRACTOR has finalised its obligations under the PURCHASE ORDER.

## **3. CONTRACTOR'S OBLIGATION TO DELIVER AND COMPANY'S OBLIGATION TO USE THE CONTRACT**

**3.1** CONTRACTOR is obliged to perform the WORK, hereunder to deliver the GOODS, as described in the PURCHASE ORDER, and in accordance with the terms and conditions contained within this CONTRACT.

**3.2** N/A

## **4. REPRESENTATIVES OF THE PARTIES**

**4.1** Prior to commencement of the WORK each party shall appoint a representative with responsibility to administer the PURCHASE ORDER. Any changes of the parties' representatives shall be notified in advance.

## **5. PERFORMANCE OF THE WORK**

### **5.1 GENERAL OBLIGATIONS**

**5.1.1** CONTRACTOR shall perform the WORK in a professional and careful manner and in accordance with the CONTRACT and with all due care and diligence and with the skill to be expected of a reputable CONTRACTOR experienced in the types of work to be carried out under the PURCHASE ORDER. As part of such performance CONTRACTOR shall:

- a) give priority to safety in order to protect life, health, property and environment, and
- b) cooperate with COMPANY, COMPANY'S REPRESENTATIVE and other contractors of COMPANY.

### **5.2 AUTHORITY REQUIREMENTS**

**5.2.1** CONTRACTOR shall keep itself informed of and shall comply with all applicable laws and regulations of any governmental or regulatory body having jurisdiction over the WORK.

**5.2.2** Where laws, are adopted after the signature of the CONTRACT, which could not have been reasonably foreseen at the time of receiving the PURCHASE ORDER and which necessitate a VARIATION, and this affects CONTRACTOR'S cost or progress, either party is entitled to demand a change in the agreed price or schedule reflecting the effect of such decisions. The provisions in Article 8 apply accordingly, provided that the time limit for presenting a VARIATION ORDER REQUEST commences to run from the time the circumstance on which the request is based became or ought to have become known to CONTRACTOR.

- 5.2.3** CONTRACTOR shall, wherever possible, but subject to COMPANY's prior consent, apply for and obtain dispensation from the effect of any such changes to the extent that such modifications may either not be necessary or that they may be carried out by CONTRACTOR at its own cost following completion of the WORK.
- 5.2.4** CONTRACTOR shall, in due time, obtain and maintain such approvals and permits as are necessary for the performance of the WORK, and which must or can be obtained in the name of CONTRACTOR. COMPANY shall upon CONTRACTOR's request, provide any necessary assistance in this respect.
- 5.2.5** CONTRACTOR shall upon COMPANY's request assist in obtaining any approvals and permits concerning the WORK, which can only be obtained in the name of COMPANY.
- 5.2.6** COMPANY may require that CONTRACTOR submits to COMPANY such information about the GOODS and the performance of the WORK and about CONTRACTOR GROUP as COMPANY is obliged to submit to public authorities.
- 5.3 COMPANY's documents, COMPANY PROVIDED ITEMS etc.**
- 5.3.1** CONTRACTOR shall search for defects, discrepancies and inconsistencies in the CONTRACT documents, and – immediately upon receipt thereof - in any specifications, drawings or other documents provided by COMPANY and in any COMPANY PROVIDED ITEM, if applicable. Should CONTRACTOR discover any defects, discrepancies and inconsistencies, CONTRACTOR shall immediately notify COMPANY'S REPRESENTATIVE in writing.
- 5.3.2** If CONTRACTOR does not notify COMPANY in accordance with Article 5.3.1 of any defects, discrepancies and inconsistencies discovered, and as a result, COMPANY incurs direct extra costs which are not covered by insurance, or loses rights or guarantees, then all such costs incurred shall be borne by CONTRACTOR. The same shall apply if such defects, discrepancies and inconsistencies ought to have been discovered through CONTRACTOR's quality management system.
- 5.3.3** Upon receipt of notice from CONTRACTOR, COMPANY shall either have the necessary corrections made or give CONTRACTOR instructions in accordance with Article 8 on how to proceed.
- 5.4 The GOODS**
- 5.4.1** CONTRACTOR shall ensure that the GOODS are in full compliance with all requirements and technical documentation following from the CONTRACT. CONTRACTOR shall also ensure that the GOODS are in accordance with applicable industry standards, in premium condition, of good quality and workmanship and fit for the intended purpose where a purpose is defined in the PURCHASE ORDER or, where no such purpose is defined, fit for the GOODS' ordinary purpose.
- 5.4.2** CONTRACTOR shall at COMPANY's request provide COMPANY with a certificate of conformance confirming that the WORK and the GOODS meet the applicable laws and regulations.
- 5.5 SUBCONTRACTING**
- 5.5.1** CONTRACTOR shall not subcontract any part of the WORK without the prior written approval of COMPANY, which shall not be unreasonably withheld.
- 5.5.2** When requested by COMPANY, CONTRACTOR shall provide to COMPANY copies of all SUBCONTRACT documents prior to entering into the SUBCONTRACT.
- 5.5.3** CONTRACTOR shall include in any SUBCONTRACT that SUBCONTRACTOR waives the right to make any claims against COMPANY arising out of or connected to the PURCHASE ORDER and shall in all SUBCONTRACTS include relevant provisions from the CONTRACT to enable CONTRACTOR to fulfil its obligations in accordance with the CONTRACT.
- 5.5.4** COMPANY's approval of SUBCONTRACTOR(s) does not relieve CONTRACTOR of any of its obligations hereunder and CONTRACTOR is fully responsible for the fulfilment of SUBCONTRACTS in accordance with the PURCHASE ORDER.
- 5.5.5** Each SUBCONTRACT shall expressly provide for CONTRACTOR's unconditional right of assignment of the SUBCONTRACT to COMPANY.

**6. QUALITY ASSURANCE AND HEALTH, ENVIRONMENT AND SAFETY**

- 6.1** CONTRACTOR shall have implemented and documented systems for quality assurance and for health, environment and safety management appropriate for the WORK and in accordance with the requirements stated in the PURCHASE ORDER.
- 6.2** COMPANY has the right to audit the quality assurance system and system for health, environment and safety management of CONTRACTOR GROUP. CONTRACTOR shall give the necessary assistance during such audit.

**7. PROGRESS OF THE WORK; DELIVERY****7.1 Delayed Progress**

- 7.1.1** CONTRACTOR shall perform the WORK including the delivery of GOODS in accordance with the time of delivery specified in the PURCHASE ORDER.
- 7.1.2** If CONTRACTOR has reason to believe that the progress will deviate from the provisions in this Article 7.1.1, CONTRACTOR shall immediately notify COMPANY and thereafter without undue delay communicate to COMPANY the following information:
- a) the reason for the delay;
  - b) the expected impact on the WORK and on the time of delivery; and
  - c) the measures which CONTRACTOR considers appropriate to avoid, recover or limit the delay.
- 7.1.3** COMPANY shall without undue delay notify CONTRACTOR of its view of the information provided by CONTRACTOR. Such notification shall not release CONTRACTOR from any of its obligations under to Article 7.1.1.
- 7.1.4** If the measures proposed or implemented by CONTRACTOR are insufficient to avoid or recover the delay, then COMPANY may require CONTRACTOR, at CONTRACTOR's own cost, to take such measures as COMPANY considers necessary.
- 7.1.5** If in CONTRACTOR's opinion the WORK cannot be performed in accordance with the agreed time of delivery owing to circumstances which COMPANY is to indemnify him, the provisions in Article 8 shall apply accordingly. The same shall apply if CONTRACTOR maintains that it has no obligation to implement the measures required by COMPANY.

**7.2 Delivery**

- 7.2.1** Delivery of the GOODS shall take place at the time and place of delivery stated in the PURCHASE ORDER.
- 7.2.2** Unless the parties have explicitly agreed in the PURCHASE ORDER that a "Delivery Protocol" shall be concluded, delivery occurs when the GOODS are delivered in accordance with the agreed Incoterms terms of delivery interpreted in accordance with the - at any time - latest version of Incoterms. If no other terms of delivery is explicitly stated in the PURCHASE ORDER, delivery of the GOODS shall take place DDP COMPANY's designated onshore supply base.
- 7.2.3** If the parties have agreed in the PURCHASE ORDER that a Delivery Protocol shall be concluded, delivery of the GOODS occurs when the parties jointly concludes the Delivery Protocol. The Delivery Protocol shall be concluded when the WORK and the GOODS have been completed, have passed all tests specified in the PURCHASE ORDER and have been delivered in accordance with the agreed Incoterms terms of delivery and properly inspected by COMPANY. The Delivery Protocol shall be concluded even if minor parts of the WORK remain incomplete, provided that they do not have any practical significance for the use of the GOODS. The Delivery Protocol shall be dated and signed by both parties and shall state any outstanding items of the WORK and contain information concerning completion of such.

- 7.2.4** Early delivery or partial delivery other than what is stated in the PURCHASE ORDER shall be subject to COMPANY's prior approval. In such cases COMPANY reserves the right to make payment in accordance with the original delivery schedule, and CONTRACTOR shall not be entitled to interests from the actual time of delivery.
- 7.2.5** CONTRACTOR shall ensure that the GOODS are accompanied by relevant delivery documents, a commercial invoice, applicable transport documents and certificates, and other documentation in accordance with the PURCHASE ORDER and COMPANY's instructions.
- 7.2.6** If it is specified in the PURCHASE ORDER that GOODS are to be purchased on consignment, delivery shall be deemed to have taken place when an item of GOODS is used by COMPANY or lost or damaged while under COMPANY's safekeeping and control.

## **8. VARIATIONS**

### **8.1 Right to order VARIATIONS**

- 8.1.1** COMPANY has the right to order VARIATIONS as in COMPANY's opinion are desirable by means of a VARIATION ORDER.

VARIATIONS may include an increase or decrease in the quantity, or a change in character, quality, kind or execution of the GOODS or the WORK or any part thereof, as well as changes to the agreed time of delivery and agreed time limits/ milestones.

COMPANY has no right to order VARIATION which cumulatively exceeds that which the parties could reasonably have expected when the PURCHASE ORDER was received.

- 8.1.2** When COMPANY issues a VARIATION ORDER, CONTRACTOR shall, without undue delay, submit an estimate to COMPANY. The estimate shall contain a description of the VARIATION in question, together with any effects on the compensation and the agreed time of delivery or other effects on any conditions agreed in the PURCHASE ORDER.

COMPANY may require the submission of such estimate prior to issuing a VARIATION ORDER.

- 8.1.3** If CONTRACTOR finds that a VARIATION is required, COMPANY shall be notified in writing, without delay in accordance with Article 8.5.

### **8.2 Effects of a VARIATION**

- 8.2.1** All of CONTRACTOR's obligations under the CONTRACT also apply to VARIATIONS, unless otherwise agreed.

- 8.2.2** Unless otherwise agreed between the parties the price for VARIATIONS shall be determined according to the following provisions:

- a) If specific rates are not included in Appendix B - Compensation any appropriate or comparable rates included in the PURCHASE ORDER shall be used.
- b) In the absence of specific, appropriate or comparable rates a fair valuation shall be made reflecting the general level of pricing prescribed in the PURCHASE ORDER.

If a VARIATION effects the agreed time of delivery or time-limits/milestones, the effects shall be agreed upon between the parties. Subject to the limitations set out in Article 8.1.1, COMPANY may require CONTRACTOR to undertake appropriate measures to avoid VARIATIONS having an effect on the agreed time of delivery or time-limits/milestones, or to limit delays as much as possible.

VARIATIONS caused by circumstances for which CONTRACTOR is responsible shall not lead to any adjustments in the compensation or the agreed time of delivery or time-limits/milestones in favour of CONTRACTOR.

### **8.3 Issue of VARIATION ORDERS**

All VARIATIONS shall be made by means of a VARIATION ORDER issued by COMPANY.

A VARIATION ORDER shall be expressly identified as such and be submitted on a prescribed and numbered form.

The VARIATION ORDER shall at least contain a description of what the variation work consists of.

#### **8.4 Consequences of VARIATION ORDERS**

On receipt of a VARIATION ORDER CONTRACTOR shall implement it without undue delay, even if the effect of the VARIATION have not been agreed.

If the parties agree that there is a VARIATION, but disagree as to the effect on the agreed prices, then COMPANY shall pay CONTRACTOR provisional compensation calculated in accordance with Article 8.2.2.

If the parties disagree as to the effect on the agreed time of delivery and time-limits/milestones, then the views of both the parties shall be recorded on the VARIATION ORDER.

Unless legal proceedings have been instituted within 6 months of the issue by COMPANY of the VARIATION ORDER, the payment made by COMPANY and COMPANY's position concerning the effect on the time of delivery and time-limits/milestones set out in the VARIATION ORDER, shall be considered final.

#### **8.5 VARIATION ORDER REQUESTS;**

If COMPANY requires work etc. to be performed, which in the opinion of CONTRACTOR is not part of its obligations under the PURCHASE ORDER, then CONTRACTOR shall submit a VARIATION ORDER REQUEST to COMPANY, and as soon as possible thereafter prepare an estimate in accordance with Article 8.1.2. The same shall apply if COMPANY requests changes to the GOODS or the WORK or other changes which in the opinion of CONTRACTOR constitute VARIATIONS

If CONTRACTOR has not presented a VARIATION ORDER REQUEST within 30 Days after COMPANY has required work to be performed, CONTRACTOR loses the right to claim that the work is a VARIATION.

A VARIATION ORDER REQUEST shall be expressly identified as such and be presented on the prescribed form. It shall contain a specified description of the work the request concerns.

#### **8.6 Dispute as to whether a VARIATION exists**

If CONTRACTOR within the stated time limit has made a request as stated in Article 8.5, COMPANY shall within 30 Days, either issue a VARIATION ORDER in accordance with the provisions of Article 8.3 or a DISPUTED VARIATION ORDER. If COMPANY is of the opinion that this work is a part of the WORK, a DISPUTED VARIATION ORDER shall be issued.

A DISPUTED VARIATION ORDER shall be expressly identified as such and shall be presented on the prescribed form, which shall identify the work in dispute between the parties and state COMPANY's reason for regarding this as a part of the WORK.

Upon receiving a DISPUTED VARIATION ORDER, CONTRACTOR shall implement it without undue delay.

Unless legal proceedings have been instituted within 6 months after COMPANY issued a DISPUTED VARIATION ORDER, the work described in the DISPUTED VARIATION ORDER is to be regarded as a part of the WORK.

### **9. CANCELLATION**

#### **9.1 COMPANY's right to cancel**

COMPANY shall have the right to cancel the PURCHASE ORDERS or parts thereof, at its sole discretion by giving written notice to CONTRACTOR.

#### **9.2 Effects of cancellation**

##### **9.2.1** In the event of cancellation CONTRACTOR shall cease performance of the WORK affected by the cancellation as of the effective date of the cancellation stated in the notice from COMPANY.

CONTRACTOR shall forthwith take all necessary steps in order to avoid unnecessary additional costs after the notice of cancellation has been received. SUBCONTRACTOR(s) shall without undue delay be informed in order to accomplish the cancellation.

CONTRACTOR shall deliver to COMPANY copies of all plans, drawings, specifications and other documents, which COMPANY is entitled to use in accordance with the CONTRACT.

**9.2.2** In the event of cancellation CONTRACTOR shall be entitled to compensation for the GOODS delivered and for the part of the WORK performed in accordance with the CONTRACT. CONTRACTOR shall not be entitled to any other compensation as a result of COMPANY's cancellation.

## **10. SUSPENSION**

### **10.1 COMPANY's right to suspend**

**10.1.1** COMPANY may temporarily suspend the performance of the WORK, or parts thereof, by giving notice to CONTRACTOR.

**10.1.2** The notice shall specify which part of the WORK shall be suspended, the effective date of the suspension and the expected date for resumption of the WORK.

**10.1.3** Upon receipt of such notice CONTRACTOR shall unless instructed otherwise:

- a) discontinue the WORK or the part of the WORK detailed in the notice, on the date and to the extent specified; and
- b) properly protect and secure the GOODS, materials meant for the WORK, and COMPANY PROVIDED ITEMS, if any, as required by COMPANY.

CONTRACTOR shall resume the WORK after notice by COMPANY..

### **10.2 Effects of suspension**

**10.2.1** COMPANY shall compensate CONTRACTOR for all expenses arising from:

- a) demobilization and mobilization of personnel and equipment, and
- b) safeguarding of the GOODS, materials to be used for the WORK and COMPANY PROVIDED ITEMS.

## **11. INVOICING, PAYMENTS, AUDIT, TITLE AND TAXES**

### **11.1 Compensation**

COMPANY shall compensate CONTRACTOR in accordance with the provisions stated in Appendix B – Compensation and/or the PURCHASE ORDER.

### **11.2 Invoicing**

**11.2.1** CONTRACTOR shall submit to COMPANY an invoice according to the provisions in Appendix B – Compensation.

All amounts due to CONTRACTOR shall be invoiced at the latest within 3 months after delivery of all GOODS under the CONTRACT, or - in the event that GOODS are ordered by multiple PURCHASE ORDERS - within 3 months after delivery of all GOODS under each individual PURCHASE ORDER. If CONTRACTOR fails to do so, COMPANY will not be obliged to remunerate any invoice submitted later.

**11.2.2** Invoices shall refer to the PURCHASE ORDER number and shall be accompanied by all documentation necessary to verify the invoiced amount.

### **11.3 Payments**

**11.3.1** COMPANY shall within 30 Days after receipt of a correct invoice, pay the amount due to CONTRACTOR.



**11.3.2** COMPANY is entitled to return invoices that do not meet the requirements set out in the PURCHASE ORDER. COMPANY will give notice before returning invoices.

**11.3.3** The following deductions may be made from any payments:

- a) Any previous payment on account to CONTRACTOR, which relates to the WORK.
- b) Such parts of the invoiced amounts as are insufficiently documented or otherwise disputed, provided COMPANY, as soon as possible specifies what documentation is considered insufficient and/or what the dispute concerns.
- c) All amounts due to COMPANY from CONTRACTOR, provided that COMPANY is entitled to make such deductions according to applicable law

If it is later established that COMPANY had an obligation to pay the withheld amount, then COMPANY shall pay interest in accordance with the Norwegian Act of interest on overdue payment (No: Forsinkelsesrenteloven) calculated from the due date for payment of the invoice.

**11.3.4** COMPANY's payment of an invoice shall not be construed as an acceptance of the GOODS or the WORK, nor shall it be construed as a waiver of COMPANY's rights under the CONTRACT.

**11.3.5** If it has been agreed that CONTRACTOR shall provide a guarantee, COMPANY shall not be obliged to make any payments until CONTRACTOR has provided such guarantee in accordance with the agreed provisions.

#### **11.4 Audits**

**11.4.1** COMPANY is entitled to audit at CONTRACTOR's and SUBCONTRACTOR(s)' WORKSITES or other premises within normal office hours, all books, records and documents of every kind relating to invoiced charges made by CONTRACTOR to COMPANY.

**11.4.2** In this respect COMPANY is not entitled to investigate the calculation of rates and lump sums included in the PURCHASE ORDER, except to the extent necessary for the proper evaluation of any VARIATION.

**11.4.3** COMPANY is entitled to audit during the period of the PURCHASE ORDER and for up to two years after the end of the year in which the PURCHASE ORDER expires or is cancelled or terminated.

**11.4.4** CONTRACTOR shall cooperate fully with COMPANY and/or its representatives in the carrying out of any audit required by COMPANY. COMPANY will conduct any audit in a manner, which will keep to a reasonable minimum any inconvenience to CONTRACTOR.

**11.4.5** Payments shall not affect COMPANY's audit rights.

If charges are proven incorrect, then an adjustment shall be made, whether or not this is in the favour of CONTRACTOR.

#### **11.5 Title to the GOODS**

Title to the GOODS shall pass on to COMPANY on delivery, or when paid for by COMPANY, if payment has been made earlier.

Notwithstanding the foregoing, title to GOODS manufactured especially for COMPANY shall pass on to COMPANY progressively as the WORK is being performed and title to materials used in the manufacturing of the GOODS shall pass to COMPANY on arrival at CONTRACTOR's WORKSITE. The GOODS and such materials shall be marked as property of COMPANY, and shall be kept segregated from other materials and equipment at CONTRACTOR's WORKSITE.

The GOODS, COMPANY PROVIDED ITEMS and other materials and items owned by COMPANY shall at all times be free of liens other than those for which COMPANY is responsible

#### **11.6 Taxes**

- 11.6.1** CONTRACTOR shall, except as may be otherwise provided in the PURCHASE ORDER, be responsible for the payment of all taxes, duties, levies, charges and contributions (and any interest or penalties thereon) for which CONTRACTOR is liable as imposed by any appropriate government authority whether of Norway or elsewhere.
- 11.6.2** CONTRACTOR shall supply to COMPANY all such information, in connection with activities under the PURCHASE ORDER, as is necessary to enable COMPANY to comply with the lawful demands for such information by any appropriate government authority whether of Norway or elsewhere.
- 11.6.3** CONTRACTOR warrants that it is familiar with and shall comply with all reporting requirements to the authorities under applicable law relating to the WORK, including the reporting requirements under the Norwegian Tax Assessment Act and in particular information concerning contractors and employees as stipulated in § 6-10 of said law to the extent this is applicable with respect to the WORK.

CONTRACTOR shall be responsible for and shall defend, indemnify and hold harmless COMPANY from any and all losses due to CONTRACTOR not fulfilling his reporting obligation under applicable law.

- 11.6.4** CONTRACTOR shall indemnify COMPANY from and against all levies, charges, contributions and taxes of the type referred to in this Article and any interest or penalty thereon which may be assessed, by any appropriate government authority whether of Norway or elsewhere, on CONTRACTOR in connection with the PURCHASE ORDER and from all reasonable costs incurred in connection therewith.

## **12. BREACH OF CONTRACT**

### **12.1 CONTRACTOR's Delay**

- 12.1.1** CONTRACTOR is in delay if CONTRACTOR is unable, or will be unable to perform the WORK within the time limits/milestones, or to deliver the GOODS within the time of delivery specified in the CONTRACT and/or PURCHASE ORDER or as otherwise agreed.

If CONTRACTOR is in delay with respect to the specified time of delivery of any GOODS, CONTRACTOR shall pay liquidated damages to COMPANY. The same shall apply if CONTRACTOR is in delay with respect to any other milestone specifically defined in the PURCHASE ORDER as a penalty milestone. Unless otherwise defined in PURCHASE ORDER, the daily liquidated damages shall be the higher of NOK 50.000 and 1% of the PURCHASE ORDER value.

CONTRACTOR's cumulative liability for liquidated damages under each PURCHASE ORDER is limited to twenty-five per cent (25%) of the PURCHASE ORDER value.

- 12.1.2** If the delay is caused by gross negligence or wilful misconduct on the part of CONTRACTOR or someone for whom CONTRACTOR is responsible, COMPANY may, instead of the liquidated damages claim compensation according to law for the losses suffered due to the delay. CONTRACTOR is not liable for any indirect losses suffered by COMPANY, cf. Article 14.7.
- 12.1.3** COMPANY may terminate the CONTRACT or PURCHASE ORDER in accordance with Article 12.3 and 12.4 due to delay.

### **12.2 CONTRACTOR's guarantee; defects**

- 12.2.1** CONTRACTOR guarantees the performance of the WORK, and that the GOODS, as well as any engineering performed by CONTRACTOR, will be suitable for the purpose and use for which they are intended. CONTRACTOR also guarantees that the GOODS will conform to the drawings and specifications which are valid at the time of delivery (final documentation) during the guarantee period.
- 12.2.2** The guarantee period commences upon delivery of the GOODS and expires on the first occurring of the following events:
- a) 48 months after delivery of the GOODS, or

b) 24 months after all GOODS have been taken into use for their intended purpose.

In case CONTRACTOR performs any guarantee work during the guarantee period, an additional 24 month guarantee period applies calculated from the time the rectification work were completed, unless the remaining part of the original guarantee period is longer.

**12.2.3** If the GOODS are defective or otherwise not in accordance with the CONTRACT when delivered or a defect arises during the guarantee period, then CONTRACTOR is liable in accordance with the provisions of this Article 12.2.

COMPANY shall make a notice of defect within reasonable time after the defect has been discovered and in no event after the expiration of the guarantee period.

**12.2.4** When CONTRACTOR is responsible of a defect, it shall as soon as possible and at its own cost remedy the defect by rectifying or replacing the defective GOODS.

If CONTRACTOR fails to remedy the defect within reasonable time, COMPANY is entitled to remedy the defect itself or employ another contractor to do so for CONTRACTOR's risk and account.

The same shall apply if awaiting CONTRACTOR's remedy will cause inconvenience to COMPANY.

**12.2.5** In addition to the other remedies for defects set out in this Article 12.2, COMPANY may proportionally reduce CONTRACTOR's compensation and/or claim damages for defects according to law. However CONTRACTOR is not liable for any indirect losses suffered by COMPANY, cf. Article 14.7.

**12.2.6** COMPANY is entitled to terminate the PURCHASE ORDER in accordance with the provisions of Article 12.3 and 12.4 due to defects.

### **12.3 Termination due to CONTRACTOR's breach of CONTRACT**

COMPANY is entitled to terminate the PURCHASE ORDER with immediate effect, if CONTRACTOR is in substantial breach of its obligations according to the CONTRACT, or if COMPANY is entitled to be paid maximum liquidated damages in accordance with Article 12.1.1.

The same applies if CONTRACTOR becomes insolvent, files for bankruptcy, makes an arrangement with its creditors, commences proceedings for winding up, or stops its payments.

### **12.4 Effects of termination due to breach of CONTRACT**

If COMPANY according to Article 12.3 terminates the PURCHASE ORDER, COMPANY is entitled to complete any unfinished GOODS manufactured specifically for COMPANY with or without the assistance of others. COMPANY can use documentation, materials and other items, which may be required to complete the GOODS, free of charge. This only applies when such use is of a limited duration.

CONTRACTOR shall if so requested by COMPANY assign free of charge any SUBCONTRACTS to COMPANY.

If the PURCHASE ORDER are terminated according to Article 12.3, COMPANY will only reimburse CONTRACTOR for those items of GOODS actually delivered to COMPANY, less any amounts COMPANY is entitled to withhold in accordance with this CONTRACT.

When the PURCHASE ORDER is terminated, COMPANY shall also be entitled to present the following claims with respect to:

- a) damages for delay in accordance with the provisions of Article 12.1–.
- b) damages for defects and other defaults in accordance with the provisions of Article 12.2.

### **12.5 COMPANY's Default**

**12.5.1** If COMPANY is late in making payments in accordance with Article 11, then COMPANY shall pay interest according to the Norwegian Act on interest on overdue payment (NO: Forsinkelsesrenteloven) unless the delay is caused by insufficient invoice documentation from CONTRACTOR, and COMPANY has notified CONTRACTOR of this without undue delay.

**12.5.2** If CONTRACTOR claims that he is entitled to refuse to deliver the GOODS or other items to which COMPANY is entitled under the PURCHASE ORDER, then COMPANY may in all cases demand delivery in return for payment of the outstanding amount due to CONTRACTOR under the CONTRACT insofar as the amount is not in dispute, and a bank guarantee or other security for any further amounts which CONTRACTOR maintains are due under the PURCHASE ORDER, but which COMPANY considers it has no obligation to pay.

## **13. FORCE MAJEURE**

### **13.1 Effects of FORCE MAJEURE**

Neither of the parties shall be considered in breach of an obligation under the CONTRACT to the extent the party can establish that fulfilment of the obligation has been prevented by FORCE MAJEURE. Each party shall cover its own costs resulting from FORCE MAJEURE.

A party so affected by FORCE MAJEURE shall use every reasonable effort to minimize the effect of FORCE MAJEURE upon the performance of this PURCHASE ORDER and shall promptly resume performance as soon as reasonably possible after removal of the circumstances of FORCE MAJEURE.

### **13.2 Notification**

The party invoking FORCE MAJEURE shall as soon as possible notify the other party of the FORCE MAJEURE situation. Such notice shall also include the cause of the delay and the presumed duration thereof.

## **14. LIABILITY AND INSURANCE**

### **14.1 CONTRACTOR's indemnity**

CONTRACTOR shall indemnify COMPANY GROUP from and against any claims, losses, damages, costs (including legal costs), and liabilities concerning:

- a) personal injury to or loss of life of any personnel of CONTRACTOR GROUP,
- b) loss of or damage to any property of CONTRACTOR GROUP

arising out of or in connection with the WORK or the GOODS.

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

### **14.2 COMPANY's indemnity**

COMPANY shall indemnify CONTRACTOR GROUP from and against any claims, losses, damages, costs (including legal costs), and liabilities concerning:

- a) personal injury to or loss of life of any personnel of COMPANY GROUP,
- b) loss of or damage to any property of COMPANY GROUP, except as stated in Art. 14.10,

arising out of or in connection with the WORK or the GOODS.

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

### **14.3 THIRD PARTY liability**

CONTRACTOR shall indemnify COMPANY GROUP from and against any claim arising out of loss or damage suffered by a THIRD PARTY in connection with the WORK or caused by the GOODS in their lifetime, to the extent that any such loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of CONTRACTOR GROUP.

COMPANY shall indemnify CONTRACTOR GROUP from and against any claim arising out of loss or damage suffered by a THIRD PARTY in connection with the WORK, to the extent that any such loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of COMPANY GROUP.

**14.4 Use of equipment in the event of termination for breach of CONTRACT**

Notwithstanding the provisions of Article 14.1 - CONTRACTOR's indemnity, COMPANY shall indemnify CONTRACTOR GROUP from and against any claim concerning loss of or damage to any property of CONTRACTOR GROUP when being used by COMPANY according to Article 12.4 - Effects of termination due to breach of obligations and duties under the CONTRACT.

**14.5 Pollution from reservoir or property of COMPANY GROUP**

Notwithstanding the provision of Article 14.3 or anything contained elsewhere in the CONTRACT to the contrary, COMPANY shall indemnify CONTRACTOR GROUP against all claims and losses resulting from pollution and/or contamination emanating from the reservoir or from any exploration or production facility belonging to COMPANY GROUP caused by the GOODS or arising from or related to the performance of the WORK.

This applies unless such loss or damage is caused by gross negligence or wilful misconduct of CONTRACTOR GROUP.

**14.6 Infringement of patents/property rights**

CONTRACTOR shall indemnify COMPANY GROUP from claims resulting from infringement of patents or other industrial property rights arising out of or in connection with the WORK or COMPANY's use of the GOODS, except where such infringement necessarily arises from the use of COMPANY PROVIDED ITEMS or COMPANY's instructions.

COMPANY shall indemnify CONTRACTOR from claims resulting from infringement of patents or other industrial property right arising out of or in connection with the obligations of COMPANY under the CONTRACT, or the use by CONTRACTOR of COMPANY PROVIDED ITEMS.

**14.7 Indirect losses**

Notwithstanding any provisions to the contrary elsewhere in the CONTRACT, and except to the extent of any liquidated damages or termination fees provided for in the PURCHASE ORDER, COMPANY shall indemnify CONTRACTOR GROUP from COMPANY GROUP's own indirect losses and CONTRACTOR shall indemnify COMPANY GROUP from CONTRACTOR GROUP's own indirect losses.

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

Indirect losses according to this provision include but are not limited to loss of production, loss of earnings, loss of revenue, loss of profit or anticipated profit. Indirect losses according to this Article 14.7 shall also include losses related to the rental of drilling rigs.

**14.8 Notice of received claims**

The parties shall immediately notify each other of claims, which involve the other party. The party being liable for settlement of a claim, shall, if possible, handle the claim.

The parties shall give each other information and other assistance needed for handling the claim.

**14.9 Insurance**

CONTRACTOR shall at its own expense procure and maintain insurance to cover its liabilities under this CONTRACT, including its liability in accordance with Article 14.10, and including but not limited to the requirements set out in Appendix G - Insurance.

CONTRACTOR's insurance policies shall be taken out with first class insurers and according to the best insurance terms available on the market.

The insurances shall be in force upon commencement of the WORK and shall remain in force during the term of the PURCHASE ORDER.

COMPANY GROUP shall be included in CONTRACTOR's insurances as protected additional insureds to the extent of the liability assumed by CONTRACTOR under this PURCHASE ORDER.

CONTRACTOR shall ensure that all insurance policies include a clause requiring the insurer to notify COMPANY in writing at least 30 – thirty - DAYS prior to VARIATIONS, cancellation or expiry of the insurance policies.

CONTRACTOR shall cause its insurers to waive all rights of subrogation against COMPANY GROUP to the extent of liabilities assumed hereunder by CONTRACTOR.

CONTRACTOR shall on COMPANY's request, submit to COMPANY evidence that all insurance required have been duly effected.

CONTRACTOR shall, upon COMPANY's request, verify that all policy terms and insured amounts are meeting said requirements.

If CONTRACTOR fails to take out insurance according to its obligations under this Article 14.9, COMPANY is entitled to take out such insurance and claim a refund of the costs from CONTRACTOR.

#### **14.10 Loss of or damage to the GOODS, COMPANY PROVIDED ITEMS etc.**

If loss of or damage to the GOODS occurs before delivery has taken place as set out in Article 7.2, CONTRACTOR shall carry out necessary measures to ensure that the WORK is completed and the GOODS delivered in accordance with the CONTRACT, and all costs of carrying out such measures shall be borne by CONTRACTOR. The same applies if any loss of or damage to COMPANY PROVIDED ITEMS or other items belonging to COMPANY GROUP occurs while they are under CONTRACTOR GROUP's safekeeping and control at any WORKSITE. CONTRACTOR's obligation to carry out such measures applies regardless of whether or not title has passed to COMPANY in accordance with Article. 11.5 and regardless of whether negligence in any form has been shown by COMPANY.

### **15. PROPRIETARY RIGHTS, CONFIDENTIALITY AND LIENS**

#### **15.1 Rights to information, technology and Inventions**

##### **15.1.1** Commercial and technical information, including drawings, documents and computer programs regardless of method of storage, and copies thereof, provided by COMPANY to CONTRACTOR shall be the property of COMPANY. The same applies to information developed by CONTRACTOR mainly on the basis of information provided by COMPANY.

Inventions made by CONTRACTOR during the performance of the WORK mainly based on such information as stated in the first paragraph shall also be the property of COMPANY. This shall, however, not apply, if the rights of anyone other than CONTRACTOR or COMPANY prevent it and CONTRACTOR has made reasonable efforts to obtain the right.

CONTRACTOR shall notify COMPANY of such inventions, which shall be COMPANY's property. CONTRACTOR shall provide the necessary assistance to enable COMPANY to acquire the patents to the inventions. COMPANY shall pay CONTRACTOR for all reasonable costs in connection with such assistance, including compensation for CONTRACTOR's employees or others in accordance with applicable law or general agreements concerning compensation for inventions.

Such information as stated in the first paragraph and inventions as stated in the second paragraph shall not be used by CONTRACTOR other than for the purpose of the WORK. All documentation, all computer programs and copies shall be returned to COMPANY at the expiry of the PURCHASE ORDER, unless otherwise agreed.

##### **15.1.2** Commercial and technical information, including drawings, documents and computer programs regardless of method of storage, and copies thereof, provided by CONTRACTOR to COMPANY shall be the property of CONTRACTOR. The same applies to information developed by CONTRACTOR mainly on the basis of such information and all other information developed by CONTRACTOR GROUP in connection with the WORK and which is not compromised by Article 15.1.1.

Inventions made by CONTRACTOR during the performance of the WORK and which are not covered by Article 15.1.1, second paragraph shall be the property of CONTRACTOR.

CONTRACTOR shall give COMPANY an irrevocable royalty-free, non-exclusive right to use information mentioned in the first paragraph, and inventions mentioned in the second paragraph to the extent they are necessary for the operation, modification, extension, rebuilding, maintenance or repair of the GOODS.

## **15.2 Confidentiality**

All information exchanged between the parties shall be treated as confidential and shall not be disclosed to anyone other than CONTRACTOR or COMPANY without the other party's written permission, unless such information:

- a) may be disclosed to anyone other than CONTRACTOR or COMPANY in accordance with Article 15.1,
- b) is already known to the party in question at the time the information was received, or
- c) is or becomes part of the public domain other than through a fault of COMPANY GROUP or CONTRACTOR GROUP, or
- d) is rightfully received from anyone other than CONTRACTOR or COMPANY without an obligation of confidentiality

Each of the parties may, however, use or disclose confidential information to anyone other than CONTRACTOR or COMPANY to the extent necessary for the performance of and control of the WORK.

In such cases the parties shall ensure that the party in question signs a written confidentiality agreement in accordance with this Article 15.2

COMPANY shall be entitled to free use of information presented and consecutively handed over to COMPANY as CONTRACTOR's result of the WORK.

CONTRACTOR shall not publish information concerning the WORK or the PURCHASE ORDER without COMPANY's written approval, which shall not be unreasonably withheld.

The provisions of this Article 15.2 shall not prevent a party from disclosing confidential information to the Ministry of Oil and Energy or the Petroleum Directorate or to anyone other than CONTRACTOR or COMPANY to the extent necessary according to applicable law, nor shall they prevent COMPANY from disclosing confidential information to the License Group and/or its AFFILIATED COMPANIES.

Confidential information shall be treated in a secure manner, documentation shall be kept in locked files and electronically stored information shall be inaccessible to unauthorized personnel.

The obligation of confidentiality also applies after the CONTRACT expires or is terminated.

## **16. OTHER PROVISIONS**

### **16.1 Assignment of the CONTRACT**

COMPANY is entitled to assign its rights and obligations under the PURCHASE ORDER, fully or partly, provided that COMPANY can demonstrate that the assignee has the financial strength required to fulfil COMPANY's obligations under the PURCHASE ORDER.

CONTRACTOR may not assign or mortgage the PURCHASE ORDER, a part of or interest in it, without COMPANY's written approval. Such approval shall not be unreasonably withheld.

### **16.2 N/A**

N/A

### **16.3 Amendments**

Any amendments under the CONTRACT shall be in writing duly signed and mutually agreed by the parties.

**16.4 Notices and claims**

All notices and claims to be given in accordance with the provisions of the CONTRACT shall be submitted in writing to the other party's appointed representative under Article 4.

E-mail communication shall be deemed to not be in writing unless it contains a scanned letter or other document duly signed by the party's appointed representative. Any notice given by e-mail shall also be sent by ordinary post.

**16.5 Business Ethics**

CONTRACTOR shall comply with applicable laws, rules and regulations and international conventions regarding ethical business practices. CONTRACTOR shall also comply with COMPANY's corporate policies on ethics, which may be accessed at <https://www.wintershall.com/en/suppliers.html>.

CONTRACTOR GROUP shall not make any payment or offer to pay anything of value, directly or offer to pay anything of value, directly or indirectly, to any government officials in connection with the CONTRACT for the purpose of influencing an act or decision in such government official's capacity or inducing such government official to influence the government in violation of any law applicable to any of CONTRACTOR, COMPANY or their AFFILIATED COMPANIES in the area of operation.

**16.6 Limitation of liability**

Subject to the CONTRACTOR having used all reasonable endeavours to complete the WORK and to comply with its obligations under the CONTRACT, the following general limitation of liability shall apply:

Except in connection with 1) CONTRACTOR's obligation to rectify or re-perform WORK; 2) any indemnities given by CONTRACTOR; and 3) any claims or liability arising from the gross negligence or wilful misconduct of CONTRACTOR GROUP; CONTRACTOR's maximum aggregate liability under the PURCHASE ORDER shall be limited to 100% (one hundred percent) of the value of the PURCHASE ORDER.

Both COMPANY and CONTRACTOR shall take all reasonable steps to mitigate any loss PURCHASE ORDER from any breach of the agreement by the other party.

**17. GOVERNING LAW AND DISPUTES**

This CONTRACT shall be governed by and interpreted in accordance with Norwegian law.

Disputes arising in connection with or as a result of the CONTRACT, and which are not resolved by mutual agreement, shall be settled by court proceedings unless the parties agree otherwise. Any court proceeding shall be brought before Stavanger City court.

Pending the resolution of a dispute, CONTRACTOR shall continue the WORK and the delivery of the GOODS in accordance with the provisions of the CONTRACT.