

1 GENERAL PROVISIONS

- 1.1 Contract shall mean the separate contract document, these General conditions for purchase of services and any appendices, agreed amendments or variations to said documents.
- Service shall mean all services to be performed by Contractor pursuant to the Contract.
- 1.2 In the event of any conflict between the provisions of the Contract, the various contract documents shall be given priority in the following order:
- the separate contract document
 - these General conditions for purchase of services
 - all appendices in the order they are listed
- 1.3 Notices, claims, etc. which the Contract requires to be presented in writing, shall be sent by letter, fax or confirmed electronic mail to the other party's appointed representative.

2 GENERAL OBLIGATIONS OF CONTRACTOR

- 2.1 Contractor shall perform the Services with that degree of skill, care, diligence and good judgement normally exercised by recognised professional firms performing work of the same or similar nature. The Services shall in all respects meet the specifications of the Contract, and shall in addition be of high quality, incorporating first class workmanship as well as fit for its intended purpose.
- 2.2 Contractor shall perform the Service in compliance with applicable laws and regulations. Contractor shall obtain and maintain all official permits necessary to perform the Service, and shall whenever requested by Buyer produce documentation showing that necessary permits have been obtained.
- 2.3 Contractor shall not assign parts of the Service to subcontractors without Buyer's written consent. Such consent does not exonerate Contractor from any obligations pursuant to the Contract.
- 2.4 Contractor shall have a satisfactory system for HES assurance and quality assurance suitable for the Service. Buyer is at any time entitled to carry out, and Contractor shall assist in carrying out, audits at Contractor's or any subcontractors' premises.
- 2.5 Buyer shall not be deemed to be the employer of Contractor's personnel, even if such personnel are to perform all or parts of the Service in co-operation with Buyer.
- 2.6 If the Contract appoints key personnel in Contractor's organisation, such personnel shall not be replaced without Buyer's prior written approval. Such approval shall not be unreasonably withheld.
- 2.7 Contractor shall, at his own expense, immediately replace personnel who in Buyer's sole opinion conduct themselves in an improper manner or are unsuitable to perform the Service.
- 2.8 When work is carried out at Buyer's premises Contractor shall comply with any rules in force relating to safety and working conditions. Buyer will, upon Contractor's request, inform of its own rules.
- 2.9 When Contractor considers the Service as completed, he shall notify Buyer in writing as soon as possible. Within a reasonable time after receiving such notice, Buyer shall in writing either accept the Service as completed, or declare that the Service is not accepted as completed and the reason for this.

3 PROGRESS

If Contractor should have cause to believe that he will be unable to perform the Service in accordance with the contract schedule, he shall immediately notify Buyer in writing stating the reason for the delay, the effect on the contract schedule and furthermore include a proposal on how the delay can be minimised. Contractor shall bear own costs incurred to minimise the delay unless the delay is caused by Buyer.

Contractor is liable for losses suffered by Buyer which could have been avoided if Contractor had given notice of the delay in due time.

4 VARIATIONS, SUSPENSION AND CANCELLATION

4.1 Variations

Within the scope of what the parties could reasonably have expected at the time the Contract was entered into, Buyer may require variations with regard to the quality and/or the quantity of the Service as well as the contract schedule.

If Contractor finds a variation is required, Buyer shall be notified, in writing, without undue delay.

Any variation shall be approved by Buyer by means of a written variation order before Contractor initiates the variation work.

When Buyer requires a variation, Contractor shall, without undue delay, submit a written confirmation describing the variation work together with an estimate of any effects on the contract price and the contract schedule.

Compensation for variation work shall be in accordance with the prices, norms and rates contained in the Contract, or otherwise in accordance with the original price level of the Contract. If a variation entails cost saving for Contractor, Buyer shall be credited accordingly.

If the parties disagree as to the amount to be added to or deducted from the contract price or any other consequences due to a variation, Contractor shall implement the variation without awaiting the final outcome of the dispute.

4.2 Suspension

Buyer may temporarily suspend the Service or parts thereof by written notification to Contractor. Following such notification Contractor shall, without undue delay, inform Buyer of the effects the suspension will have on the performance of the Service. Contractor shall resume the Service immediately after notification by Buyer.

If the suspension period exceeds 90 days, Contractor is entitled to cancel the Contract by notice in writing to Buyer.

During the suspension period, Buyer shall only compensate Contractor for documented and necessary expenses in connection with demobilisation and mobilisation of personnel.

4.3 Cancellation

Buyer may cancel the Service or parts thereof with immediate effect, by written notification to Contractor.

Following cancellation Buyer shall only pay the unpaid balance due to Contractor for that part of the Service already performed, and cover documented and necessary expenses incurred as a direct result of the cancellation.

5 PAYMENT

- 5.1 Unless otherwise agreed, payment shall be made within 60 days after receipt of a correct invoice.
- 5.2 The contract number and other agreed references shall be quoted on all invoices which shall also clearly indicate what the invoiced amount relates to. Buyer is entitled to return invoices that do not meet these requirements.
- 5.3 If it has been agreed that Contractor shall provide a bank guarantee, Buyer shall not be obliged to make any payments prior to receipt of such guarantee.
- 5.4 Buyer is entitled to deduct any prepayments and accrued liquidated damages against Contractor's invoices. Furthermore, any disputed or insufficiently documented amounts, as well as any amounts owed by Contractor to Buyer may be set-off against Contractor's invoices.
- 5.5 Contractor shall submit a final invoice within 30 days after Buyer has accepted the Service as completed. The final invoice shall include all claims to be made by Contractor pursuant to the Contract. Claims not included in the final invoice cannot be submitted later.
- 5.6 Failure evidencing that payment of tax and other levies have been paid in accordance with law entitles Buyer to withhold payment until Contractor either produces such documentation, or provides satisfactory security for payment of such taxes and levies. Buyer may recover from Contractor at any time any liability incurred by Buyer as a consequence of Contractor failing to pay in the required taxes and levies.
- 5.7 Buyer is entitled to audit at Contractor's premises all payments for reimbursable work for up to two years after receipt of the final invoice.

6 BREACH OF CONTRACT

6.1 Delay

Delay exists when Seller fails to comply with the time limits stated in the Contract, unless the delay is caused by Buyer.

If Contractor's performance of the Service has such defects that Buyer's intended purpose with the Service is substantially unsuccessful, this shall be considered as delay.

Contractor is liable for delay pursuant to Article 6.2.

6.2 Effects of delay

Unless otherwise agreed, liquidated damages shall accrue at a rate of 0.3 % of the total contract price per day by which the Service or any part thereof is delayed. Liquidated damages shall, however, not exceed 15 % of the total contract price.

If the delay is caused by gross negligence or wilful misconduct on the part of Contractor or someone for whom he is responsible, Buyer may, instead of the liquidated damages, claim compensation for the losses suffered due to the delay.

Buyer may terminate the Contract if the maximum of liquidated damages have incurred or the delay constitutes a substantial breach of Contract.

6.3 Defects

Contractor is liable for any defect in the Service pursuant to Article 6.4.

Buyer shall issue a written notice of defect within reasonable time following discovery of any defect, and in no event later than 24 months after Buyer has accepted the Service as completed. The same time limit applies in respect of rectification work, calculated from the time the rectification work was completed. The time limit for making a notice of defect does not commence as long as rectification work or other activities necessary to comply with the contractual requirements are performed.

6.4 Liability for defects

When Buyer notifies Contractor of a defect, Contractor shall commence rectification of the defect without delay. The rectification work shall be postponed upon Buyer's request provided that Buyer has a justified reason for requiring such postponement. Rectification work shall be performed for Contractor's account.

If Contractor fails to remedy the defect within reasonable time, Buyer is entitled to remedy the defect himself or employ a third party to do so for Contractor's risk and account, or to reduce the contract price accordingly. The same shall apply if awaiting Contractor's remedy will cause substantial inconvenience to Buyer. In such event, Contractor shall be notified in writing prior to initiating of the rectification work.

Buyer is entitled to claim compensation for losses suffered due to defects. Such compensation is limited to cover direct losses unless Contractor, or someone Contractor is responsible for, has acted with gross negligence or wilful misconduct.

Buyer may terminate the Contract if a defect constitutes a substantial breach of Contract. In such event, Buyer is entitled to reject Contractor's offer to remedy the defect.

6.5 Indemnification

Contractor shall indemnify Buyer if the performance or result of the Service constitute an infringement of third party patent rights or other intellectual property rights, except when this is necessary due to Buyer's specifications and Contractor did not know or ought to have known that such an infringement would occur.

7 FORCE MAJEURE

7.1 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 it or overcome its consequences.

7.2 A party shall not be considered in breach of the Contract to the extent it is proven that he was unable to fulfil his contractual obligations due to force majeure. Each party shall cover its own costs resulting from force majeure.

7.3 The party invoking force majeure shall notify the other party thereof without undue delay. Such notice shall also include the cause of the delay and the presumed duration thereof.

7.4 Each party is entitled to cancel the Contract if the force majeure situation continues, or it is obvious that it will continue, for more than 60 days.

8 INSURANCE

Contractor shall procure and maintain at his own expense liability insurance adapted to Contractor's operations and the nature of the Service.

Whenever requested by Buyer, Contractor shall provide an insurance certificate documenting that such condition is fulfilled.

9 PROPRIETARY RIGHTS. CONFIDENTIALITY

9.1 Proprietary rights

Unless otherwise agreed, the results of the Service as and when it is performed are the sole property of Buyer. All reports, drawings, specifications and similar documents, including computer programs, that are prepared in connection with the Service constitute part of the results of the Service.

Unless otherwise agreed, this provision does not give Buyer proprietary rights to Contractor's designs, technology, know-how, patents, etc. developed independently of the Contract. Buyer shall be granted irrevocable, royalty-free and non-exclusive right of use to those rights which are necessary for the completion, operation, maintenance, repair and modification of the results of the Service, or of the product to which the Service is related.

9.2 Confidentiality

All information exchanged or otherwise transferred between the parties shall be treated as confidential and shall not be disclosed to any third parties without the written consent of the other party.

A party may nevertheless make such information available to third parties provided that the information was already known to that party at the time the information was received, or that the information is or becomes part of public domain other than through a fault of either of the parties, or is rightfully received from a third party without an obligation of confidentiality or it is necessary due to applicable laws and regulations.

Information may also be disclosed to third parties to the extent necessary for execution of the Contract or utilization of the results of the Service or of the product to which the Service is related, provided that the receiver of such information shall be bound by a confidentiality obligation similar to this Article 9.2.

Without Buyer's written consent, Seller shall not issue any press release or otherwise advertise that this Contract has been entered into.

10 ASSIGNMENT OF THE CONTRACT

Buyer is entitled to assign his rights and obligations pursuant to the Contract, fully or partly, to any third party. Contractor may not assign his rights and obligations pursuant to the Contract without Buyer's written consent which shall not be unreasonably withheld.

11 APPLICABLE LAW AND LEGAL VENUE

The Contract shall be governed by Norwegian law.

A party may only bring a dispute in connection with the Contract before the appropriate court of the other party's legal domicile. Contractor also agrees to have litigation brought before Oslo Tingrett/City Court.