



**TotalEnergies EP Norge AS**

**GENERAL TERMS**

**FOR**

**PURCHASE OF PETROLEUM EQUIPMENT**

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## **ARTICLE 1**      **OBJECT**

The CONTRACT shall govern the relationship between COMPANY and CONTRACTOR and any CONTRACTOR's terms of sale shall have no force and effect with respect to any part of the CONTRACT.

The object of the CONTRACT is as specified in the PURCHASE ORDER.

The present General Conditions of Purchase for Petroleum Equipment shall not constitute any commitment from COMPANY to purchase any goods from CONTRACTOR. No exclusivity is given to CONTRACTOR for the purchase of any goods.

## **ARTICLE 2**      **DEFINITIONS**

**2.1**      Within the contract unless otherwise specified:

**AFFILIATE** means in relation to any company, at any time, any other entity:

- a) in which such company directly or indirectly controls more than fifty per cent (50%) of the registered capital or rights to vote; or
- b) which directly or indirectly controls more than fifty per cent (50%) of the registered capital or rights to vote of such company; or
- c) of which an entity as mentioned in b) above controls directly or indirectly more than fifty per cent (50%) of the registered capital or rights to vote.

**APPLICABLE LAWS** means all laws, regulations, court orders, requirements, orders, standards, guidance notes and industry societies having jurisdiction over the PARTIES, the GOODS, and the Permit Area as identified in the PURCHASE ORDER, or any of them and which are or may become applicable.

**CLOSE FAMILY MEMBER** means a spouse or partner of a PUBLIC OFFICIAL; one of his/her children, siblings or parents; the spouse or partner of his/her children or siblings; or any household member of a PUBLIC OFFICIAL.

**COMPANY** means the PERSON designated as such in the PURCHASE ORDER.

**COMPANY GROUP** means COMPANY, the PARTICIPANTS, its/their respective AFFILIATES to the extent they are involved in the subject matter of the CONTRACT, COMPANY's others contractors and their subcontractors to the extent they have been engaged by COMPANY to perform work and/or services in relation to the GOODS, and COMPANY's PERSONNEL or any of the foregoing, as the case may be, but shall not include any member of CONTRACTOR GROUP.

**CONSEQUENTIAL LOSS** means indirect or consequential loss, and direct or indirect loss of: revenue, profit, anticipated profit, use, production, productivity, contracts, business opportunity and losses, costs and/or expenses resulting from business interruption, deferral of production.

**CONTRACT** means the following documents and any other documents attached to those with any future amendments thereto:

- 1) the PURCHASE ORDER; and,
- 2) the present General Conditions of Purchase for Petroleum Equipment.

In case of conflict between the documents listed above, the documents shall be given priority in the order they are listed.

**CONTRACTOR** means any PERSON designated as such in the PURCHASE ORDER.

**CONTRACTOR GROUP** means CONTRACTOR, sub-vendors (or subcontractors) and to the extent they are involved in the subject matter of the CONTRACT his/their respective AFFILIATES and CONTRACTOR's PERSONNEL or any of the foregoing as the case may be, but shall not include any member of COMPANY GROUP.

**EFFECTIVE DATE** means the date on which the CONTRACT comes into force, as specified in the PURCHASE ORDER.

**FORCE MAJEURE** means the effective occurrence of any act/event which is unforeseeable, insurmountable and outside the control of the PARTY which invokes it, and which renders said PARTY unable to comply with whole or part of its/his obligations under the CONTRACT. However FORCE MAJEURE

shall not include events such as insolvency of any PARTY, strikes, lock-outs or other industrial disputes or actions, between CONTRACTOR and/or the CONTRACTOR's sub-vendors (or subcontractors) and his or their employees.

**GOODS** means all or part of the articles, materials, equipment, supplies, studies and other things or any of them described in the PURCHASE ORDER including, but not limited to, manuals, operating instructions, reports and drawings, to be supplied by CONTRACTOR.

**GROUP** means COMPANY GROUP and CONTRACTOR GROUP as the case may be.

**INTELLECTUAL PROPERTY** means

- a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent application, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof;
- b) all marks, including trademarks, service marks, logos, slogans, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith;
- c) all writings and other works subject to copyright protection, copyrightable works, all copyrights, and all design rights;
- d) all database rights;
- e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications);
- f) all computer software (including data, disks, licenses and related documentation);
- g) all web sites and domain names, and the contents of all such web sites ; and,
- h) any and all copies and tangible embodiments thereof (in whatever form or medium).

**PARTICIPANT**, if any, means any PERSON with whom COMPANY has entered into a Joint Operating Agreement, a Unit Agreement or the like for the purposes of searching, developing and producing hydrocarbons in the permit area as stated in the PURCHASE ORDER.

**PARTY** means either COMPANY or CONTRACTOR as the case may be and PARTIES shall be construed accordingly.

**PERSON** means any individual, company, firm, partnership, association or body corporate, as the case may be.

**PERSONNEL** means as the case may be, the directors, officers, employees, agents and invitees of (a) CONTRACTOR GROUP (CONTRACTOR's PERSONNEL); and/or (b) COMPANY GROUP (COMPANY's PERSONNEL).

**PUBLIC OFFICIAL** means an elected or appointed official, employee or agent of any national, regional or local government/state or department, agency or instrumentality of any such government/state or any enterprise in which such a government/state owns, directly or indirectly, a majority or controlling interest; an official of a political party; a candidate for public office; and any official, employee or agent of any public international organization.

**PURCHASE ORDER** means the order in writing issued to CONTRACTOR by COMPANY covering details for the supply of the GOODS

**SPECIFICATIONS** means any and all specifications such as codes, standards, drawings, requisitions and other specifications, as set out in the CONTRACT and being part thereof and detailed in the PURCHASE ORDER, to be complied with by CONTRACTOR.

**THIRD PARTY** means any PERSON that is not a member of COMPANY GROUP or of CONTRACTOR GROUP.

**ZONE OF OPERATIONS** means the intended destination of the GOODS for the purposes of their installation, final testing and use, including as necessary any erection yard designated by COMPANY and the COMPANY's site, workshops, storage area or other facility as may be relevant.

### **ARTICLE 3    CONTRACTOR'S OBLIGATIONS**

CONTRACTOR represents and warrants that he is fully experienced and technically competent to perform the supply as per the CONTRACT and that he is properly financed, organised and equipped to provide such supply.

CONTRACTOR shall be acting as an independent contractor and shall manage, control and direct the supply as an independent contractor and shall perform all obligations and duties under the CONTRACT at his own cost, risk and responsibility, in due compliance with the provisions of the CONTRACT. It is understood that this CONTRACT does not establish any hire of personnel relationship and neither CONTRACTOR nor any of his sub-vendors (or subcontractors) nor CONTRACTOR's PERSONNEL shall be deemed for any purpose to be the employees, agent, servant or representative of COMPANY or of COMPANY GROUP in the performance of the CONTRACT.

CONTRACTOR shall remain solely responsible and liable for compliance with the CONTRACT by the members of the CONTRACTOR GROUP, and COMPANY's rights and interests shall not be affected in any way by CONTRACTOR's performance of the CONTRACT.

COMPANY reserves the right to reject or request replacement of any of his sub-vendors (or subcontractors) not complying with the Anti-corruption Compliance Due Diligences in accordance with the provisions of the CONTRACT.

CONTRACTOR is considered as having all information required for proper performance of the supply.

CONTRACTOR will perform his obligations under the CONTRACT in a workmanlike manner and in accordance with the good engineering and oil and gas field practice.

CONTRACTOR shall, when the supply or part thereof is performed in Norway or on the Norwegian Continental Shelf, ensure that opportunities exist for trade union activities in accordance with APPLICABLE LAWS.

CONTRACTOR shall give COMPANY access to the places where the supply is performed and to the supply, including all CONTRACTOR's and sub-vendors (or subcontractors) documents, data etc., and in any other way facilitate so that COMPANY can execute its operator accountability and "see to it" duty ("påseplikten") in accordance with the Petroleum Act Section 10-6. COMPANY may require that CONTRACTOR submits to COMPANY such

Information about the performance of the supply and about CONTRACTOR GROUP as COMPANY is obliged to submit to public authorities or any other information to evidence compliance with APPLICABLE LAWS.

### **3.1 TESTING AND DELIVERY**

#### **3.1.1 GOODS testing**

Before dispatching the GOODS, CONTRACTOR shall carefully inspect and test them for compliance with the CONTRACT.

CONTRACTOR shall give, at least, seven (7) day prior written notice to the COMPANY's representative specified in the PURCHASE ORDER, of such tests stating their location and COMPANY shall be entitled to be represented thereat.

No GOODS shall be dispatched until after inspection and written approval by COMPANY's representatives or without written release or written waiver of inspection by COMPANY's representative.

CONTRACTOR shall also at the request of COMPANY supply a copy of the CONTRACTOR's test sheets certified by CONTRACTOR to be true copies.

Unless otherwise specified in the PURCHASE ORDER, all tests shall be at the CONTRACTOR's cost and risk. When the PURCHASE ORDER states specific payments for tests, CONTRACTOR shall not be paid for any test where the GOODS have failed to achieve or maintain in the opinion of COMPANY's representative the relevant required standard.

The making or failure to make or observe any inspection or test of the GOODS shall in no way relieve CONTRACTOR of his obligations to comply with all requirements of the CONTRACT.

In addition to the GOODS testing as provided for under this sub-Article 3.1.1, the GOODS which do not comply with the CONTRACT at the time of delivery, necessitating replacement or repair by CONTRACTOR, shall be rejected by COMPANY. CONTRACTOR shall take such rejected GOODS back, with cost of carriage, risk and insurance to be borne by CONTRACTOR, who shall also bear the cost of carriage, risk and insurance of the re-transfer to the place of delivery as defined in the PURCHASE ORDER.

#### **3.1.2 Shipment**

CONTRACTOR shall properly pack and secure the GOODS, and shall deliver and/or dispatch and/or convey to destination same, as the case may be, at the dates and in the manner specified in the PURCHASE ORDER, or as may be subsequently agreed in writing by the PARTIES. CONTRACTOR shall specifically pay attention to the correct labelling of the packages and the identification of items to be supplied. The packing, loading and wedging in connection with shipment shall be carried out by CONTRACTOR under his own responsibility.

#### **3.1.3 Delivery and late delivery**

The GOODS shall be delivered in accordance with INCOTERMS (latest official version), Delivered Duty Paid (DDP), to COMPANY's base in the Stavanger area, unless another delivery place is specified in the PURCHASE ORDER.

The GOODS shall not be deemed delivered until receipt by COMPANY of all proper certification and documentation information as well as full information relative to the safety of GOODS and to their use.

The delivery date is stated in the PURCHASE ORDER.

For any delivery made after the delivery date stated in the PURCHASE ORDER, CONTRACTOR shall be liable for payment of liquidated damages for delay of delivery on the delivery date as stated in the PURCHASE ORDER, at the rate of two per cent (2%) per day elapsed from such delivery date up to the limit of ten per cent (10%) of the full value of the PURCHASE ORDER.

Payments of such liquidated damages shall be without prejudice to the rights and remedies of COMPANY under the CONTRACT. Payment of these liquidated damages shall not relieve CONTRACTOR from duly performing his obligations under the CONTRACT.

### **3.2 WARRANTY OBLIGATIONS**

**3.2.1** CONTRACTOR warrants that the GOODS shall comply in all respects with the CONTRACT, and with any COMPANY's documents referred to in the PURCHASE ORDER and that they shall be free of any defect or flaw and fit for the purpose intended under the CONTRACT.

**3.2.2** If any of the GOODS do not comply with the CONTRACT or are found defective, or if any defect or fault originating in connection with the design (if furnished by CONTRACTOR), materials, workmanship, CONTRACTOR's supervision, or operating characteristics as requested by COMPANY in the PURCHASE ORDER arises any time within either eighteen (18) months after the date on which such item is placed in use or operation or thirty-six (36) months after the date on which such GOODS are properly delivered according to the CONTRACT, whichever period ends first, and CONTRACTOR is so notified during such warranty period, CONTRACTOR shall promptly upon receipt of COMPANY's written notice rework the defective GOODS with minimum disruption to COMPANY's operations.

**3.2.3** Such rework of GOODS shall include all necessary repair or replacement at CONTRACTOR's sole cost, expense and risk, including, packing, transportation to/from CONTRACTOR manufacturing location, assistance to removal/installation, and tests whenever relevant as are necessary so that said GOODS comply with the CONTRACT.

**3.2.4** The above mentioned warranty period shall be adjusted and extended by a duration equivalent to the period during which the GOODS are rendered unavailable and/or during which the COMPANY operations are interrupted, to allow rework of GOODS under the foregoing warranty obligations.

**3.2.5** In case of CONTRACTOR's failure to diligently and satisfactorily carry out such rework of GOODS, COMPANY shall have the right to have this rework performed by others. In such a case, COMPANY shall inform CONTRACTOR of the performance of such rework. Such recourse to others shall in

no way relieve CONTRACTOR from his warranty obligations under the CONTRACT, but CONTRACTOR shall not guarantee the rework of GOODS so performed. The reasonable costs of such interventions shall be charged to CONTRACTOR.

**3.2.6** The foregoing warranty shall not apply:

- to normal wear and tear,
- to damage proven to be caused by a THIRD PARTY, or to proven misuse by COMPANY unless such damage or misuse is due to the CONTRACTOR GROUP acts, omissions, faulty instructions or negligence.

Unless otherwise specified in the PURCHASE ORDER, foregoing warranty does not apply to any item which is furnished by COMPANY as a component part of the GOODS.

**3.2.7** The foregoing warranty shall apply notwithstanding any other term of the CONTRACT, and is expressly in lieu of all other warranties, statutory or implied, including warranty of merchantability except as provided for under sub-Article 3.2.1.

### **3.3 HEALTH, SAFETY, SOCIAL (LOCAL COMMUNITY), SECURITY AND ENVIRONMENT**

CONTRACTOR undertakes that CONTRACTOR GROUP shall take, in compliance with APPLICABLE LAWS, all necessary associated measures with respect to Health, Safety, Social (Local Community), Security and Environment in relation to the supply and its transportation as per agreed Incoterms, and when relevant, the applicable rules and regulations of the ZONE OF OPERATIONS.

### **3.4 PREVENTION AGAINST ILLEGAL EMPLOYMENT**

#### **3.4.1 CONTRACTOR declaration and warranty**

CONTRACTOR :

- warrants his status within the CONTRACT with respect to all civil administration, tax and immigration authorities,
- declares that CONTRACTOR's PERSONNEL engaged in the supply of the GOODS are legally employed and fully comply with labour law regulations and regulations regarding hire of PERSONNEL applicable to him, including that all foreign PERSONNEL shall have necessary working permits before they become engaged in the supply of any GOODS, and ensuring that all hiring of personnel shall be performed in compliance with Norwegian Law, and
- certifies that he has made all legal registrations and regulatory social and tax declarations and payments to the authorised bodies;

CONTRACTOR shall upon request document compliance with the above.

CONTRACTOR shall indemnify and hold harmless COMPANY GROUP against and all liability which COMPANY GROUP may incur as a result of CONTRACTOR GROUP's failure to comply with the above.

#### **3.4.2 Failure of CONTRACTOR to comply with sub-Article 3.4.1**

Should CONTRACTOR be in default of the foregoing provisions, COMPANY shall be entitled, subject to seven (7) day written notice, to suspend the supply of the GOODS without compensation or remuneration to CONTRACTOR until CONTRACTOR has provided adequate documentation satisfactory to COMPANY.

Should CONTRACTOR, pursuant to the provisions of sub-Article 6.1.1 hereof remain in default for a period of fourteen (14) days, COMPANY, subject always to seven (7) day written notice, shall be entitled to terminate the CONTRACT without compensation to CONTRACTOR other than payment for the supply of the GOODS satisfactorily performed up to the date of termination.

## **ARTICLE 4 FINANCIAL CONDITIONS**

### **4.1 TAXES AND CUSTOMS DUTIES**

**4.1.1** CONTRACTOR shall be liable for all taxes assessed against profits, dividends, corporate income, personal income of CONTRACTOR's PERSONNEL engaged in the performance of the CONTRACT, all taxes and/or withholdings that may derive from any use of sub-vendors (or subcontractors) or from the place of payment designated by CONTRACTOR, and more generally any and all taxes, imposts, levies, fees, stamps, customs duties and the like, levied by whatsoever authorities. CONTRACTOR shall be liable for any fines and penalties pertaining to any of the above.

CONTRACTOR shall defend, indemnify and hold COMPANY GROUP harmless from and against any claim in respect of the foregoing.

**4.1.2** CONTRACTOR represents that he has taken into account in establishing the rates, sums and prices set out in the CONTRACT, all taxes for which he is liable in accordance with the present sub-Article 4.1.

### **4.2 PRICE, INVOICING AND PAYMENT**

#### **4.2.1 Price**

- a) The prices stated in the PURCHASE ORDER are fixed and not subject to revision, escalation, or any adjustment due to currency fluctuations, and are established without the Value Added Tax (VAT)
- b) These prices are fully inclusive of any and all cost, overhead, risk and profit related to or in connection with the provisions of the GOODS.

In particular unless specified to the contrary in the PURCHASE ORDER:

- all disposable containers, packing cases, boxes, tins, wrappings and other packaging material supplied by CONTRACTOR shall be considered as non-returnable and their cost as having been included in the CONTRACT prices;
- charges for preparation, packing, boxing, crating, freight, or other special services of any kind shall be deemed to be included in the CONTRACT prices.

CONTRACTOR shall be liable for any customs, import duties or any other taxes applicable for the GOODS and shall indemnify COMPANY GROUP for any failure to pay such customs etc.

#### **4.2.2 Invoicing and payment**

CONTRACTOR shall invoice, in duplicate (one copy marked ORIGINAL), all amounts that become due to CONTRACTOR by COMPANY for the supply of GOODS.

Invoices shall make reference to the PURCHASE ORDER number and title and shall be paid in Norwegian Krone (NOK).

Should any conversion of currencies be required the basis for such conversions shall be the exchange rate indicated by Norges Bank ("Bank Of Norway") applicable to the latest business day of the month in which work was performed.

Invoices shall be sent to the following address:  
TotalEnergies EP Norge AS  
P.O. Box 168  
4001 STAVANGER  
Att.: Accounting Department  
or emailed to invoices.ep-no@totalenergies.com

COMPANY shall pay all non-disputed invoices within thirty (30) days from receipt of the invoice (hereinafter referred to as "PAYMENT PERIOD"). Such issuance shall occur in accordance with the payment schedule provided for in the PURCHASE ORDER or, if not so provided, after delivery of the GOODS pursuant to the PURCHASE ORDER.

If COMPANY fails to pay any undisputed invoice which is due under the PURCHASE ORDER within the PAYMENT PERIOD, COMPANY shall be liable for interest on such unpaid amount at NIBOR + one per cent (1 %). The calculation of such interest shall start on the day following the end of the PAYMENT PERIOD and shall end on the day of transfer of such amount from COMPANY's bank. Interest shall be paid upon issuance of a specific invoice.

If COMPANY disputes all or part of an invoice, COMPANY shall return the said invoice to CONTRACTOR, specifying in writing the reasons for its rejection. CONTRACTOR may then:

- either send back a revised invoice to the satisfaction of COMPANY,
- or send back two separate invoices, one in respect of the undisputed part of the original invoice and the other in respect of the revised part of the original invoice

Payments made by COMPANY shall not be construed as a waiver of COMPANY's right to object to any paid invoices.

COMPANY shall not be required to pay any invoices received more than six (6) months after the delivery of the GOODS.

#### **4.2.3 Accounting and audits**

CONTRACTOR shall safely keep and cause sub-vendors (or subcontractors) to keep in accordance with generally accepted accounting practice, accurate detailed records and accounts pertaining to the CONTRACT for an accurate audit and verification of any reimbursable costs, for the duration of the CONTRACT and for a period of three (3) years following the delivery date of GOODS or the date of the termination of the CONTRACT.

COMPANY shall have the right during such period to audit (or have audited) and to copy any records and accounts for verification of any sum payable under the CONTRACT.

### **ARTICLE 5 QUALITY ASSURANCE AND QUALITY CONTROL**

The PARTIES agree that COMPANY GROUP shall be entitled to evaluate or have evaluated, at any time, the conformity of CONTRACTOR GROUP's Quality System, to the international Quality Assurance standards and/or certifications recognised at an international level, and shall be entitled to request, as the case may be, a specific Quality Assurance and/or Quality Control plan as specified in the PURCHASE ORDER.

COMPANY's representatives shall be given free access both to CONTRACTOR's workshops and to those of his sub-vendors (or subcontractors), if any, with respect to the performance of the CONTRACT.

Such free access by COMPANY's representatives shall not constitute interference on its part in the delivery and/or performance of the supply of the GOODS, and hence shall not in any way reduce CONTRACTOR's responsibility in the performance of the CONTRACT.

Upon a written request by COMPANY the CONTRACTOR undertakes to furnish to COMPANY all information necessary to identify: the origin, place and date of manufacture of the GOODS, its components, the serial, or batch numbers, and any other relevant information.

### **ARTICLE 6 TERMINATION**

#### **6.1 TERMINATION DUE TO CONTRACTOR'S DEFAULT**

##### **6.1.1 Right of termination**

COMPANY shall have the right, , by serving written notice thereof to CONTRACTOR, to terminate the CONTRACT with immediate effect and without indemnity or liability of any nature to CONTRACTOR in case of material breach of the CONTRACT ("vesentlig kontraktsbrudd").

##### **6.1.2 Consequences**

In the event of termination as provided for in sub-Article 6.1.1, COMPANY shall have the following rights:

- a) COMPANY shall only be liable to pay CONTRACTOR, as full and final compensation under the CONTRACT or otherwise, the amount due for GOODS manufactured by CONTRACTOR and delivered to COMPANY prior to the date of termination, in compliance with the CONTRACT, and
- b) COMPANY reserves the option to have the CONTRACT completed by another supplier and to invoice CONTRACTOR for any difference in price incurred by COMPANY from the CONTRACT price and COMPANY shall be entitled to reimbursement and compensation from CONTRACTOR

for direct and documented costs and damage (including additional managerial expenses and administrative services) suffered by COMPANY in connection with such termination and, as the case may be, liquidated damages provided for in the CONTRACT for late performance.

## **6.2 NA**

### **6.3 TERMINATION AT COMPANY'S CONVENIENCE**

Without prejudice to the other provisions of the CONTRACT, COMPANY reserves the right to terminate the CONTRACT at any time by serving written notice to CONTRACTOR without justifying its decision, but shall in such case:

- Pay CONTRACTOR the amount due for part or parts of the GOODS manufactured by CONTRACTOR and delivered to COMPANY prior to the date of termination in conformity with the CONTRACT.
- Reimburse CONTRACTOR for all costs reasonably and irrevocably incurred and paid or committed in good faith as evidenced by supporting documents in respect of the part(s) of the GOODS not manufactured on such termination.
- Pay CONTRACTOR five (5) per cent of the difference between the CONTRACT price and the aggregate of the amounts already paid to CONTRACTOR as per the first two bullet points immediately hereabove.

Such payment shall constitute the full and final compensation payable by COMPANY to CONTRACTOR under the CONTRACT and CONTRACTOR shall have no claim against COMPANY in relation to such termination.

## **ARTICLE 7 TRANSFER OF OWNERSHIP/ TRANSFER OF RISK**

### **7.1 TRANSFER OF OWNERSHIP**

The transfer to COMPANY of ownership in the GOODS shall take place, whichever occurs first:

- a) as soon as the GOODS can be identified as pertaining to the relevant PURCHASE ORDER.
- b) when COMPANY pays for the GOODS or part thereof in accordance with the CONTRACT,
- c) at the time of delivery to COMPANY in accordance with the CONTRACT.

However, COMPANY may accept or refuse at its sole option the ownership of any of the GOODS which may not be in conformity with the CONTRACT.

### **7.2 TRANSFER OF RISK**

**7.2.1** The risk in the GOODS shall pass to COMPANY as per the INCOTERMS latest edition Delivered Duty Paid (DDP), without prejudice to any right of rejection which may accrue to COMPANY under the CONTRACT.

However, if for any reason, COMPANY is unable to accept the dispatch of the GOODS at the time when the GOODS are ready for the dispatch, COMPANY shall so inform CONTRACTOR in writing and CONTRACTOR shall store the GOODS at CONTRACTOR's risk during such period of storage. Such storage shall be at no cost to COMPANY except if it exceeds a thirty (30) days duration.

**7.2.2** Risk in the materials and/or equipment supplied by COMPANY to CONTRACTOR as referred to in sub-Article 9.1.2, shall pass to COMPANY as stipulated in sub-Article 7.2.1.

## **ARTICLE 8 FORCE MAJEURE**

### **8.1 PRINCIPLE**

In case of FORCE MAJEURE, the PARTY claiming FORCE MAJEURE shall notify the other PARTY immediately, by registered mail with receipt, as soon as the event giving rise to FORCE MAJEURE occurs, producing all documentary evidence establishing the precise event giving rise to FORCE MAJEURE.

FORCE MAJEURE shall not release the PARTY claiming FORCE MAJEURE from his/its obligations except to the extent to, and for the period during which he/it is prevented from complying with such obligations.

The claiming PARTY shall endeavour to remedy the impact of FORCE MAJEURE rapidly, and shall at the end of the period of FORCE MAJEURE continue to perform all of his/its obligations.

### **8.2 TERMINATION DUE TO FORCE MAJEURE**

COMPANY may terminate the CONTRACT:

- a) if in the opinion of COMPANY the manufacturing and delivery of the GOODS is made impossible on account of FORCE MAJEURE, as evidenced by the PARTY claiming such FORCE MAJEURE event, or
- b) if a situation of FORCE MAJEURE has lasted or, in COMPANY's reasonable opinion is deemed to last, more than sixty (60) consecutive days.

If the CONTRACT is so terminated, CONTRACTOR:

- shall be paid the amount due for the GOODS manufactured by CONTRACTOR and delivered to COMPANY in conformity with the CONTRACT prior to the date of such termination, and
- shall be reimbursed for all costs irrevocably and reasonably incurred and paid or committed in good faith as evidenced by supporting documents in respect of the part of the GOODS not manufactured on such termination, to the exception of all costs resulting from the FORCE MAJEURE such as stand-by, delays and the like.

Such payments shall constitute the full and final compensation payable by COMPANY to CONTRACTOR under the CONTRACT and CONTRACTOR shall have no claim against COMPANY GROUP in relation to such termination.

## **ARTICLE 9**    **LIABILITIES**

### **9.1**    **LIABILITIES BETWEEN THE PARTIES**

#### **9.1.1**        Damage to the GOODS

- a) Before transfer of risk

CONTRACTOR shall, from the EFFECTIVE DATE to the occurrence of the transfer of risk as defined in sub-Article 7.2, take full responsibility for the care of the GOODS and should any damage or loss occur to any part thereof from any cause, shall at his own cost and expense repair or replace the same so that at the occurrence of the transfer of risk, the GOODS shall be in good order and condition and in conformity in every respect with the requirements of the CONTRACT.

- b) After transfer of risk

Subject to CONTRACTOR's Warranty Obligations under sub-Article 3.2, COMPANY shall defend, indemnify and hold harmless CONTRACTOR GROUP in respect of loss or damage, to the GOODS from the occurrence of transfer of risk to COMPANY as defined in sub-Article 7.2.

However, CONTRACTOR shall defend, indemnify and hold harmless COMPANY GROUP from and against any claim in respect of damage to GOODS when CONTRACTOR, in the performance of the CONTRACT, furnishes assistance services in respect of warranty obligations repairs, reworks or replaces the GOODS at the ZONE OF OPERATIONS.

#### **9.1.2**        Materials and/or equipment to be incorporated into GOODS

Should CONTRACTOR be required to incorporate into GOODS, or to connect thereto, or hold on behalf of COMPANY, materials and/or equipment which are supplied to CONTRACTOR directly or indirectly by COMPANY, CONTRACTOR shall be wholly responsible for any loss of or damage to such materials and/or equipment so supplied to him from such time they come under his custody, until the risk has been transferred to COMPANY in accordance with the CONTRACT.

CONTRACTOR shall carry out an inspection upon receipt of such materials and/or equipment and shall be responsible for any apparent damage or defects not notified to COMPANY and which it ought to have identified and so notified in accordance with good engineering and oil and gas field practice.

#### **9.1.3**        Properties other than the GOODS

- a) CONTRACTOR Properties

CONTRACTOR waives all rights of recourse against and shall defend, indemnify and hold harmless COMPANY GROUP from and against any claim in respect of loss of or damage to CONTRACTOR GROUP's property and equipment, whether owned, operated, hired, leased or otherwise provided by CONTRACTOR GROUP, other than the GOODS.

#### **9.1.4**        CONSEQUENTIAL LOSS

Subject and without prejudice to any liquidated damages or other compensation provisions stipulated for delay, non-performance or otherwise in the CONTRACT:

- a) COMPANY shall defend, indemnify and hold harmless CONTRACTOR GROUP from and against COMPANY GROUP's CONSEQUENTIAL LOSS arising from or relating to the performance, mis-performance or non-performance of the CONTRACT.
- b) CONTRACTOR waives all rights of recourse against and shall defend, indemnify and hold harmless COMPANY GROUP from and against CONTRACTOR GROUP's CONSEQUENTIAL LOSS arising from or relating to the performance, mis-performance or non-performance of the CONTRACT

#### **9.1.5**        PERSONNEL

- a) CONTRACTOR shall defend, indemnify and hold harmless COMPANY GROUP from and against any claim in respect of personal or bodily injury, including death, sickness or disease and any loss of or damage to property of CONTRACTOR's PERSONNEL.
- b) COMPANY shall defend indemnify and hold harmless CONTRACTOR GROUP from and against any claim in respect of personal and bodily injury, including death, sickness or disease and any loss of or damage to property of COMPANY's PERSONNEL.

### **9.2**    **DAMAGE TO THIRD PARTY**

**9.2.1**    Except as otherwise provided for in sub-Article 9.2.3, CONTRACTOR shall defend, indemnify and hold harmless COMPANY GROUP from and against any claim in respect of damage to, or loss of THIRD PARTY's property and equipment, including CONSEQUENTIAL LOSS and personal and bodily injury including death, sickness or disease of any THIRD PARTY, caused by CONTRACTOR GROUP or their property or property under their care, custody or control, and arising out of or in relation to the performance of the CONTRACT.

**9.2.2**    COMPANY shall defend, indemnify and hold harmless CONTRACTOR GROUP from and against any claim in respect of damage to, or loss of THIRD PARTY's property and equipment, including CONSEQUENTIAL LOSS and personal and bodily injury including death, sickness or disease of any THIRD PARTY, caused by COMPANY GROUP and arising out of, or in relation to the performance of the CONTRACT.

**9.2.3**    COMPANY shall defend, indemnify and hold harmless CONTRACTOR GROUP for any loss of or damage to THIRD PARTY property and equipment and/or for personal and bodily injury, including death, sickness, or disease of a THIRD PARTY resulting from blow-out, uncontrolled well-flow, cratering, escape of oil and/or gas from a well or any other manifestation emanating from a well owned or operated by COMPANY at the ZONE OF OPERATIONS. However when such damage or loss is caused by gross negligence of any of CONTRACTOR GROUP, CONTRACTOR shall bear the first two hundred and fifty thousand US Dollars (US \$ 250,000) of damages per occurrence.

### **9.3**    **HOLDING HARMLESS**

Waivers of recourse, exclusions and indemnities given under the CONTRACT shall apply irrespective of cause and notwithstanding the negligence, gross negligence, breach of duty (statutory or otherwise) or other failure of any nature of the indemnified GROUP and shall apply irrespective of any claim in tort,



contract or otherwise at law. Notwithstanding the above, waivers of recourse, liabilities, exclusions and indemnities given under the CONTRACT shall not apply in case of wilful misconduct, including deliberate breach of duty (whether based on CONTRACT, tort or otherwise at law), of the indemnified GROUP.

All indemnities under the CONTRACT shall be full and primary and shall be enforceable irrespective of any separate right of indemnity or contribution from any PERSON unless otherwise provided for herein.

Whenever a PARTY or any other member of COMPANY GROUP or CONTRACTOR GROUP is pursued in respect of any loss, damage, bodily injury including death, sickness or disease, then the PARTY that is liable therefore under the provisions of the CONTRACT, shall defend, indemnify and hold harmless the former.

Whenever a PARTY or any other member of COMPANY GROUP or CONTRACTOR GROUP is obliged or held responsible to pay, pursuant to a judgment, a sum for which the other PARTY is liable under the provisions of the CONTRACT, the latter shall reimburse and indemnify the former without delay.

#### **9.4 SPECIAL PROVISIONS**

The waivers of recourse, indemnities and hold harmless provisions provided by one GROUP to the other GROUP in this ARTICLE 9 shall benefit to the insurers of the indemnified GROUP.

The provisions set out in this ARTICLE 9 shall apply notwithstanding any limit of liability, if any, stipulated in the CONTRACT.

### **ARTICLE 10 INSURANCES**

**10.1** CONTRACTOR shall, at his own cost and expense, obtain and maintain and as far as practicable cause his sub-vendors (subcontractors) to obtain and maintain in full force and effect throughout the duration of the CONTRACT and any extensions thereof, the following insurances from insurers reasonably acceptable to COMPANY for specified amounts or their equivalent in another currency acceptable by COMPANY, it being understood that the risks may be covered by insurance policies in a different way than the one indicated below, provided that all such risks are properly covered:

- a) Workmen's Compensation Insurance / Occupational Injury Insurance to comply fully with APPLICABLE LAWS and agreements made with employees. For all offshore work, CONTRACTOR shall provide for his and his SUBCONTRACTORS' PERSONNEL coverage against injury to and/or death of such PERSONNEL from the time they leave mainland until their return in an amount of at least forty (40) times the basic amount (G) of the Norwegian National Social Security Scheme.
- b) Employer's Liability Insurance (to the extent required by APPLICABLE LAWS and agreement with employees), to include cover for legal expenses anywhere in the world, with a limit of not less than United States Dollars five million (USD 5,000,000) per occurrence or the limit required by APPLICABLE LAWS, whichever is the highest
- c) Comprehensive General Liability Insurance, including pollution liability and product liability resulting from the SUPPLY, with a combined single limit of not less than United States Dollars five million (USD 5,000,000) per occurrence.
- d) Except if the PURCHASE ORDER price is less than United States Dollars One Million (USD 1,000,000), CONTRACTOR shall from the beginning of the manufacture and up to the transfer of the risk of the GOODS to COMPANY, obtain and maintain in full force and effect, insurance to cover the GOODS against all risks of accidental physical loss or damage during such period of his (their) full replacement value (s). Such insurance shall provide that insurers shall pay insurance indemnities directly to COMPANY up to the amount of the PURCHASE ORDER price paid for the GOODS by COMPANY to CONTRACTOR at the time of the loss, unless COMPANY requires CONTRACTOR to repair such loss or to replace the damaged GOODS at CONTRACTOR's costs. CONTRACTOR shall remit insurance certificates evidencing said insurance and the above provision.
- e) Automobile Public Liability Insurance (whenever automobiles and automotive equipment are employed by CONTRACTOR for the performance of the SERVICES) in respect of all automobiles and automotive equipment employed by CONTRACTOR (whether as owner or hirer or otherwise) hereunder for not less than the limits required by APPLICABLE LAWS or for United States Dollars one million (USD 1,000,000) combined single limit per occurrence, whichever is the highest.
- f) Other insurances as required by APPLICABLE LAWS, necessary for covering CONTRACTOR's risks that may arise in connection with the performance of the SUPPLY under the CONTRACT.

The insurance amounts indicated here above are minimum requirements and not limits of liability. They should not be construed as COMPANY's consent to substitute its financial liability in excess of the limits specified above, except as otherwise agreed in the CONTRACT.

**10.2** Upon request, CONTRACTOR shall provide COMPANY with (an) insurance certificate(s) provided by his insurer(s) certifying the existence, the duration and the compliance of the policy (ies) with the PURCHASE ORDER.

**10.3** CONTRACTOR shall ensure that each other member of the CONTRACTOR GROUP is properly insured for his liabilities compatible with the provisions of ARTICLE 9, and CONTRACTOR shall be liable towards COMPANY for any absence or insufficiency of the insurances of subcontractors.

**10.4** CONTRACTOR's insurances shall contain provisions whereby the insurers waive their rights of subrogation against COMPANY GROUP to the extent of the liabilities and indemnities assumed by CONTRACTOR under the CONTRACT.

**10.5** COMPANY's insurances shall contain provisions whereby the insurers waive their rights of subrogation against CONTRACTOR GROUP to the extent of the liabilities and indemnities assumed by COMPANY under the CONTRACT.

### **ARTICLE 11 PATENTED DEVICES AND PROCESSES – REGISTERED TRADEMARKS**

**11.1** CONTRACTOR shall obtain all required authorisations from THIRD PARTY, and particularly from holders of patents and owners of registered trademarks, the application or use of which are required by performance of the supply.

**11.2** CONTRACTOR shall defend, indemnify and hold harmless COMPANY GROUP from and against any claim of THIRD PARTY in this connection that might arise during or after completion of the CONTRACT and shall bear all costs and expenses arising from any such claim.

**11.3** If due to such claim the GOODS in dispute are banned from delivery or use, CONTRACTOR, at its own expense, shall either have to replace, or modify, same in such a way as to do away with the infringement. Any such modification shall not be detrimental to the quality and/or specification of the GOODS, the CONTRACT, or the PURCHASE ORDER and/or their timely delivery in accordance with the PURCHASE ORDER

**11.4** For the purpose of the supply of the GOODS and of the operation and maintenance of the GOODS, CONTRACTOR undertakes to grant COMPANY GROUP any and all transferable licences, and to obtain, if necessary, that his sub-vendors (or subcontractors) grant COMPANY GROUP any and all transferable licences in respect of the use of all INTELLECTUAL PROPERTY, whether the same is of standard nature or the same is specifically

developed by CONTRACTOR and/or his sub-vendors (or subcontractors) in connection with the CONTRACT (those provisions shall not extend to the commercial exploitations of the same including the manufacturing of equipments similar to GOODS).

## **ARTICLE 12 CONFIDENTIALITY**

**12.1** All information supplied by COMPANY to CONTRACTOR in connection with the CONTRACT shall be kept confidential (unless and until released by COMPANY) and CONTRACTOR shall take and enforce suitable written covenants from CONTRACTOR's PERSONNEL at any level to enforce confidentiality. The non-disclosure obligation under this sub-Article 12.1 shall not apply to information and data which, as evidenced by CONTRACTOR:

- a) is already in the public domain at the time of disclosure;
- b) is required to be disclosed under the APPLICABLE LAWS or by a governmental order, decree, regulation or rule (provided CONTRACTOR shall give notice to COMPANY prior to such disclosure).

**12.2** CONTRACTOR undertakes to limit access to such information and data to those of CONTRACTOR's PERSONNEL reasonably requiring the same for the performance of the CONTRACT and that CONTRACTOR shall not use any of such information and data in anyway other than for the aforesaid purpose.

CONTRACTOR agrees neither to refer to nor to use COMPANY's business name or trademarks for any reason whatsoever, without the prior, explicit and written authorisation of COMPANY.

**12.3** Any failure to comply with the provisions of this ARTICLE 12 shall be considered as breach of material obligations by CONTRACTOR to COMPANY, and may cause immediate damages to COMPANY, in connection with which COMPANY shall be entitled to take any necessary legal steps. CONTRACTOR shall defend, indemnify and hold harmless COMPANY GROUP from and against any and all CLAIMS suffered or incurred in respect of the above confidentiality obligations.

## **ARTICLE 13 APPLICABLE LAWS - GOVERNING LAW – ANTI-CORRUPTION UNDERTAKINGS - SETTLEMENT OF DISPUTES**

### **13.1 APPLICABLE LAWS**

CONTRACTOR ensures that CONTRACTOR GROUP, in all respects, observes, is bound and complies with the APPLICABLE LAWS as well as the laws applicable to his operations and to CONTRACTOR's PERSONNEL, CONTRACTOR shall be liable for and shall defend, indemnify and hold COMPANY GROUP harmless from and against all fines and penalties and all other consequences harmful to COMPANY GROUP resulting from breach of APPLICABLE LAWS by CONTRACTOR GROUP.

### **13.2 GOVERNING LAW**

The validity, interpretation and performance of the CONTRACT are governed by the laws of Norway excluding any provisions thereunder with respect to the conflicts of laws.

COMPANY and CONTRACTOR expressly exclude the application of the United Nations Convention on contracts for the international sale of goods signed in Vienna on April 11, 1980.

### **13.3 ANTI-CORRUPTION UNDERTAKINGS**

In recognition of the principles enshrined in the various pertinent international and regional conventions on combating corruption and to ensure compliance with the anti-corruption laws applicable to the activities under the CONTRACT and any other anti-corruption laws otherwise applicable to the PARTIES, the PARTICIPANTS or their ultimate parent company,

**13.3.1** CONTRACTOR, in respect of the CONTRACT and the matters that are the subject of the CONTRACT, warrants that neither it nor to its knowledge anyone on its behalf, has made or offered nor will make or offer any payment, gift, or promise or give any advantage, whether directly or through a CLOSE FAMILY MEMBER or other intermediary, to or for the use of any PUBLIC OFFICIAL, where such payment, gift, promise or advantage would be for purposes of:

- influencing any act or decision of such PUBLIC OFFICIAL;
- inducing such PUBLIC OFFICIAL to do or omit to do any act in violation of his or her lawful duties;
- securing any improper advantage; or
- inducing such PUBLIC OFFICIAL to use his or her influence to affect any act or decision of any department, agency or instrumentality of any government or public enterprise.

**13.3.2** CONTRACTOR, in respect of the CONTRACT and the matters that are the subject of the CONTRACT, warrants that it has not made or offered and will not make or offer any payment, gift, or promise or give any advantage, whether directly or through intermediaries, to or for the use of any PERSON (other than a PUBLIC OFFICIAL) insofar as such payment, gift, promise or advantage would be for purposes of inducing such PERSON to do or omit to do any act in violation of his or her lawful duty or to secure any improper advantage, or otherwise to do or refrain from doing something that would violate the laws applicable to the activities under the CONTRACT.

**13.3.3** CONTRACTOR shall cause his personnel and subcontractors to comply with the obligations set forth in this Article 13.3 and to warrant the same under the terms of their agreements with any subcontractors. In particular, CONTRACTOR shall perform Anti-corruption Compliance Due Diligences on all major subcontractors and COMPANY reserves the right i) to request proof of and/or documentation relating to such Due Diligences and, where necessary ii) to reject or request replacement of non-complying subcontractors in accordance with ARTICLE 3.

**13.3.4** All financial settlements, billings and reports rendered to COMPANY shall accurately and in reasonable detail reflect all activities and transactions undertaken in the performance of the CONTRACT. CONTRACTOR also shall maintain adequate internal controls to ensure that all payments made in performance of the CONTRACT are authorized and in compliance with the CONTRACT. COMPANY reserves the right to perform itself or through a duly authorized representative, pursuant to Article 4.2.3, audits at CONTRACTOR's premises of all payments made by or on behalf of CONTRACTOR for GOODS purchased under the CONTRACT. CONTRACTOR agrees to cooperate fully in any such audit, including by making the relevant books and records available to COMPANY or its duly authorized representative and by answering any relevant questions that COMPANY may have relating to the CONTRACTOR's performance under the CONTRACT.

**13.3.5** All payments by COMPANY to CONTRACTOR shall be made in accordance with the terms of payment specified in ARTICLE 4. The payment indications that pursuant to such ARTICLE 4 will be notified in the CONTRACTOR's invoices shall be deemed to constitute a representation and warranty

by CONTRACTOR that the bank account so notified is owned solely by CONTRACTOR and that no PERSON other than CONTRACTOR has any ownership of or interest in such account.

**13.3.6 PUBLIC OFFICIAL or CLOSE FAMILY MEMBER's shares or other beneficial interest in CONTRACTOR.**

**13.3.6.1** CONTRACTOR represents and warrants that no PUBLIC OFFICIAL or CLOSE FAMILY MEMBER owns or possesses, directly or indirectly, shares or any other beneficial interest in CONTRACTOR (other than through ownership of publicly traded securities that is not sufficient to constitute a controlling interest), or is a director, officer or agent of CONTRACTOR, except for any ownership, interest or position that CONTRACTOR has disclosed to COMPANY in writing. The foregoing representation and warranty will continue so long as the CONTRACT remains in effect. CONTRACTOR agrees to notify COMPANY promptly and in writing of any developments that would or might affect the accuracy of the foregoing representation or warranty. In any case, if a PUBLIC OFFICIAL or CLOSE FAMILY MEMBER owns or acquires, directly or indirectly, shares or any other beneficial interest in CONTRACTOR, or is or becomes a director, officer or agent of CONTRACTOR, CONTRACTOR shall take appropriate steps to ensure that such PUBLIC OFFICIAL or CLOSE FAMILY MEMBER avoids any conflict of interest and complies with the laws applicable to him/her which prohibit conflicts of interests on the part of PUBLIC OFFICIALS and complies with the anti-corruption provisions described in the sub-Articles 13.3.1 and 13.3.2 above.

**13.3.6.2** In the event that a PUBLIC OFFICIAL or CLOSE FAMILY MEMBER owns or possesses, directly or indirectly, shares or any other beneficial interest in CONTRACTOR (other than through ownership of publicly traded securities that is not sufficient to constitute a controlling interest), or is a director, officer or agent of CONTRACTOR, except for any ownership, interest or position that CONTRACTOR has disclosed to COMPANY in writing, the PARTIES accept and acknowledge that, in the event any CONTRACTOR or any subcontractor is owned in part by a Stated owned company or may, whether now or in the future, be considered as a governmental entity or quasi-governmental entity at law, it is possible that a PUBLIC OFFICIAL, may serve as a director, officer or employee of such CONTRACTOR or any subcontractor or his/its AFFILIATES. In such event, the PARTIES agree that, CONTRACTOR or such subcontractor may have one or more directors, officers or employees who qualify as PUBLIC OFFICIALS, provided that:

- a) the PUBLIC OFFICIAL is occupying such position within CONTRACTOR or any subcontractor fully in accordance with laws that are applicable to such party and as may be required there-under;
- b) the PUBLIC OFFICIAL's appointment as a director, officer or employee of CONTRACTOR or any subcontractor is reviewed and approved by [name of the State owned company];
- c) any payment to or on behalf of the PUBLIC OFFICIAL is reviewed and approved by [name of the State owned company] and does not exceed the remuneration that would be reasonable for a person serving in that particular position within CONTRACTOR or any subcontractor; and
- d) such remuneration is fully consistent with APPLICABLE LAWS and the matters that are the subject of the CONTRACT and is not made to influence any official act, decision or omission of such PUBLIC OFFICIAL or reward the PUBLIC OFFICIAL in respect of any of the same that may have been taken in the past.

**13.3.7** CONTRACTOR shall promptly give NOTICE to COMPANY of any investigation or legal proceeding initiated against CONTRACTOR by any public authority relating to an alleged violation of applicable anti-corruption laws by CONTRACTOR, any subcontractor or his/their personnel / CONTRACTOR'S PERSONNEL in relation to operations and activities performed under the CONTRACT.

**13.3.8** Without prejudice to any other rights or remedies COMPANY otherwise may have hereunder or at law, including but not limited to damages for breach of the CONTRACT, if any of the undertakings or requirements of this Article 13.3 have not been complied with or fulfilled by CONTRACTOR in any material respect, COMPANY shall have the right:

- a) to suspend payment and/or require reimbursement of any advance payment made under the CONTRACT, and/or
- b) to suspend and/or terminate the CONTRACT for CONTRACTOR's default with immediate effect pursuant to Article 6.1.

**13.4 SETTLEMENT OF DISPUTES**

**13.4.1** The PARTIES shall endeavour to settle by negotiation any dispute arising out of or in connection with the CONTRACT, and all the consequences thereof. Such dispute shall be duly notified by the claiming PARTY to the other PARTY, in the forms required under the CONTRACT and with due reference to this sub-Article 13.4, and the PARTIES shall endeavour to settle such dispute by negotiation within forty-five (45) days from receipt of said notice.

**13.4.2** In case of failure to settle the dispute by negotiation within the period of time above-mentioned, the claiming PARTY may notify to the other PARTY his/its intention to submit the dispute to arbitration.

**13.4.3** Without prejudice to the PARTIES' rights to take interim legal measures, such as injunctions etc., any dispute arising from or in connection with this CONTRACT and which cannot be resolved by negotiation within the above mentioned time period, shall be settled by arbitration in Stavanger to be final and binding on the PARTIES. The provisions of the Norwegian Arbitration Act of 2004 as amended shall apply if not otherwise agreed between the PARTIES. The District Court of Stavanger shall be the proper legal venue under the Arbitration Act Section 6.

The arbitration proceedings shall be conducted in the English language.

The arbitration proceedings and all decisions made by the arbitration tribunal shall be kept confidential, unless the PARTIES expressly consent to the publication thereof in whole or in part.

A dispute shall be deemed to have arisen when either PARTY notifies the other PARTY in writing to that effect.

## **ARTICLE 14 ASSIGNMENT**

**14.1** CONTRACTOR shall not assign the CONTRACT nor transfer any part of it, nor any benefit, interest, right or obligation, nor payment due thereunder, without the prior written consent of COMPANY. Notwithstanding any such assignment or transfer to which COMPANY has given its consent, CONTRACTOR shall be and remain fully responsible for the due performance of his obligations under the CONTRACT.

**14.2** COMPANY, may, at any time, transfer and assign all or any of its rights and obligations under the CONTRACT, or any benefit or interest arising thereunder to any of its AFFILIATES or any of the PARTICIPANTS or their AFFILIATES.

COMPANY shall be entitled to assign the CONTRACT to any THIRD PARTY with the prior written consent of CONTRACTOR, provided such consent shall not be unreasonably withheld or delayed.

CONTRACTOR shall cause the Bank Guarantees related to the assigned CONTRACT to be reissued for the benefit of the assignee in lieu of COMPANY, and such guarantees shall be exchanged against those already in force.

## **ARTICLE 15 MISCELLANEOUS**

### **15.1 LIENS**

CONTRACTOR undertakes not to create or do any act, deed or thing which would result in the creation of any lien or charge on property of COMPANY GROUP and/or the GOODS or any part thereof. CONTRACTOR hereby represents that it has not created any such lien or done anything as above before entering into the CONTRACT.

CONTRACTOR shall defend, indemnify and hold COMPANY GROUP harmless from and against any claim for the discharge of any lien claimed against COMPANY GROUP property and/or the GOODS, if directly created or caused (by act, omission or negligence) by CONTRACTOR GROUP.

### **15.2 MODIFICATIONS**

No modification may be made to the CONTRACT, without the written approval of the authorised representatives of both CONTRACTOR and COMPANY.

Notwithstanding the paragraph above, in the event of any variation order issued by COMPANY, CONTRACTOR shall comply with such request. Any additional costs, fees or expenses directly resulting from such variation duly documented and evidenced by CONTRACTOR shall be reimbursed by COMPANY.

### **15.3 STATUS OF COMPANY**

COMPANY enters into the CONTRACT for itself and for the PARTICIPANTS.

- a) CONTRACTOR agrees to look only to COMPANY for the due performance of the CONTRACT and nothing contained in the CONTRACT will impose any liability upon, or entitle CONTRACTOR to commence any proceedings against any PARTICIPANT; and
- b) COMPANY is entitled to enforce the CONTRACT on behalf of all PARTICIPANTS as well as for itself. For that purpose COMPANY may commence proceedings in its own name to enforce all obligations and liabilities of CONTRACTOR and to make any claim which any PARTICIPANT may have against CONTRACTOR; and
- c) All losses, damages, costs (including legal costs) and expenses recoverable by COMPANY pursuant to the CONTRACT or otherwise shall include the losses, damages, costs (including legal costs) and expenses of the PARTICIPANTS and its and their respective AFFILIATES except that such losses, damages, costs (including legal costs) and expenses shall be subject to the same limitations or exclusions of liability as are applicable to COMPANY or CONTRACTOR under the CONTRACT.

### **15.4 EXPORT CONTROL AND ECONOMIC SANCTIONS**

The PARTIES must perform this CONTRACT in compliance with the export controls and economic sanctions laws or regulations that apply to the PARTIES. Neither PARTY shall be obliged to perform any obligation under this CONTRACT if this would not be compliant with, in violation of, inconsistent with, or expose a PARTY to punitive measures under any laws, regulations applicable to the PARTIES relating to export control and/or economic sanctions. In this event, such PARTY (the "Affected Party") shall, as soon as reasonably practicable give written notice to the other PARTY of its inability to perform. Once such notice has been given the Affected Party may either: (i) suspend the performance of the affected obligation under this CONTRACT until the Affected Party may lawfully discharge such obligation or; (ii) terminate this CONTRACT where the Affected Party may not lawfully discharge such obligation.

### **15.5 FUNDAMENTAL PRINCIPLES OF PURCHASING**

CONTRACTOR shall comply with the requirements specified in Appendix 1 (Fundamental Principles of Purchasing).

## ARTICLE 16 TRANSPARENCY ACT UNDERTAKINGS

1.1 CONTRACTOR shall respect fundamental human rights and decent working conditions and shall conduct risk-based due diligence to identify, address and, where appropriate, cease, mitigate or prevent adverse impact on fundamental human rights and decent working conditions in accordance with [the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act, LOV-2021-06-18-99), the United Nations Guiding Principles on Business and Human Rights, (the UNGPs) and the OECD Guidelines for Multinational Enterprises (the OECD Guidelines)].

CONTRACTOR shall oblige its subcontractors and business partners to act consistently with the requirements of this article 16 in relation to the SERVICES.

1.2 Upon request from COMPANY, CONTRACTOR shall within reasonable time, provide the following information:

- A) a general description of CONTRACTOR's structure, area of operations, guidelines and procedures for identification and handling of actual and/or potential adverse impacts on fundamental human rights and decent working conditions;
- B) description of actual adverse impacts and significant risks of adverse impacts that CONTRACTOR has identified through its due diligence; and
- C) description of measures CONTRACTOR has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

CONTRACTOR shall without undue delay notify COMPANY when actual or potential adverse impacts on fundamental human rights and/or decent working conditions are identified within the workforce of the CONTRACTOR or its supply chain or business partners and which are related to the SERVICES.

CONTRACTOR is not obligated to provide information that concerns data relating to an individual's personal affairs, or if the requested information concerns data regarding technical devices and procedures or other operational and business matters which for competitive reasons it is important to keep secret in the interests of the person whom the information concerns.

Notwithstanding any confidentiality obligation set out in the CONTRACT, COMPANY and COMPANY's Affiliates shall have the right to disclose such information as specified above to a third party, to the extent necessary to comply with applicable statutory obligations to report on or respond to requests for information related to human rights in the supply chain directed towards the COMPANY or COMPANY'S Affiliates. COMPANY shall use reasonable endeavours to notify CONTRACTOR prior to such disclosure.

1.3 If either PARTY has reasonable cause to believe that deviations from or breaches of the requirements under this Clause have occurred, CONTRACTOR shall further investigate, to clarify the actual circumstances. If adverse impacts or risks are identified, CONTRACTOR shall without undue delay provide information regarding which measures CONTRACTOR has implemented or plans to implement to cease, mitigate, or as appropriate under the [Transparency Act, the UNGPs and/or the OECD Guidelines], remedy these impacts. If the measures proposed or implemented by CONTRACTOR are deemed insufficient by COMPANY to avoid or mitigate the adverse impact, the PARTIES shall meet in good faith to identify and develop possible solutions.

Without prejudice to any other rights or remedies which COMPANY may have, COMPANY is entitled to terminate the CONTRACT with immediate effect by notifying CONTRACTOR, in the event CONTRACTOR in connection with the Work (a) has committed recurring breaches of the requirement under this Clause 16, or (b) has failed to take relevant actions to mitigate a significant breach of the requirements of this Clause 16 within reasonable time after COMPANY has requested such mitigation.

## APPENDIX 1 – FUNDAMENTAL PRINCIPLES OF PURCHASING

CONTRACTORS are required to comply with and to make sure that their own contractors and subcontractors comply with applicable laws, as well as principles equivalent to those set forth in the Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, United Nations Global Compact, the Voluntary Principles on Security and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Effective policies and procedures should be implemented, in particular with respect to the principles set out below.

- **Respecting human rights at work:**

Ensure that working conditions and remuneration of workers preserve human dignity and are consistent with the principles defined by the Universal Declaration of Human Rights and by the fundamental Conventions of the International Labour Organization.

- *Prohibition and prevention of child labour :*

Prohibit employment of workers under the age of 18 for hazardous and night work, and prohibit employment of workers under the age of 15, except where local law provides for greater protection for the child.

- *Prohibition and prevention of forced labour :*

Ensure that no worker is coerced to work against his/her will through the use of violence, intimidation, financial coercion or threat of penalty or sanction.

Prohibit confiscation of workers' identity documents, provided that where local law requires such document to be retained, workers must have immediate and automatic access to such documents.

Ensure that no recruitment fees are charged to the worker.

- *Working conditions, remuneration and compensation:*

Establish an employment contract.

Provide a living wage and ensure compliance with a maximum number of working hours, adequate rest time and parental leave.

Document compliance with such requirements.

- *Health and Safety at work :*

Provide a healthy and safe workplace where workers are protected from accidents, injuries, and work-caused illness.

When accommodation is provided by the employer, ensure that it is safe, clean and adequate as a living space.

- *Prohibition and prevention of discrimination and harassment at the workplace :*

Prohibit harassment and practices resulting in discriminatory treatment of workers with particular attention to recruitment, compensation, benefits or termination.

- *Freedom of speech, association and collective bargaining, freedom of thought, conscience and religion:*

Allow workers to choose whether to be member of a collective bargaining organization. In countries where such right is restricted, ensure employees have the right to participate in a dialogue about their collective work situation.

- *Grievances and Concerns:*

Ensure workers can express grievances and concerns without fear of reprisal.

- **Protecting health, safety, and security:**

- Perform risk analysis and assessments in these areas and implement appropriate means to prevent those risks;
- Establish a system for monitoring events that occurred in these areas.

- **Preserving the environment:**

- Implement an appropriate environment risk management system, in order to identify and control the environmental impact of activities, products or services, to continuously improve environmental performance, and to implement a systematic approach to define environmental objectives, achieve them and demonstrate that they have been achieved;
- Undertake the improvements needed for protecting the environment;
- Limit the impact of industrial activities on the environment.

- **Preventing corruption, conflict of interests, and fighting against fraud:**

- Fight against fraud;
- Prevent and ban any form of corruption: active or passive, private or public, direct or indirect;
- Avoid conflicts of interest, in particular when personal interests may influence professional interests.

- **Respecting the competition law:**

- Comply with the applicable competition law.

- **Promoting economic and social development:**

- Create a climate of trust with stakeholders, engaging in a dialogue with local communities, promoting local sustainable development initiatives, and giving local companies the opportunity to develop their business.

Compliance with these laws and principles may be audited