

1 DEFINITIONS

- 1.1** "Agreement" means the Purchase Order (as defined below), with the associated order confirmation and these general terms and conditions.
- 1.2** "Contractor" means the provider of Goods and/or Work identified in the Purchase Order.
- 1.3** "Day" means calendar day.
- 1.4** "Force Majeure" means an event beyond a Party's control that it could not reasonably have foreseen when the Agreement was entered into and the consequences of which it cannot reasonably be expected to overcome or prevent.
- 1.5** "GMC" means the GMC entity identified in the Purchase Order that will purchase Goods and/or Work from Contractor.
- 1.6** "Goods" means the documentation, equipment, materials and other items supplied by the Contractor to GMC pursuant to this Agreement.
- 1.7** "Parties" means the Contractor and GMC.
- 1.8** "Party" means the Contractor or GMC.
- 1.9** "Price" means the amount to be paid to the Contractor for the Goods in accordance with a Purchase Order and any variation issued in accordance with clause 10.
- 1.10** "Purchase Order" means the separate document describing the Goods and Work, together with these General Terms and Conditions and any signed appendices, signed amendments or variations to the said documents.
- 1.11** "Work" means any and all work and services which the Contractor shall perform or cause to be performed pursuant to the Agreement.

2 PURCHASE ORDER – CONFIRMATION

2.1 GMC's Purchase Order shall immediately, and no later than within 7 Days, be confirmed by the Contractor returning an approved and signed copy of it to GMC. Should the Contractor fail to return such confirmation within 7 Days, GMC's Purchase Order shall be deemed accepted without objections. GMC is entitled to cancel a Purchase Order if the Contractor's order confirmation does not match the Purchase Order or if it is not received within 7 Days.

2.2 Confirmation of a Purchase Order shall, as a minimum, always include the Price and the time and place of delivery. If the Parties have agreed that the Price shall be fixed as per invoice, the confirmation shall also contain a price estimate.

2.3 Any reservations or deviating or supplemental terms and conditions shall only be valid if GMC explicitly has agreed to such terms and conditions in writing. In the event of ambiguity between the documents, the Purchase Order shall take precedence over the General Terms and Conditions.

3 GENERAL OBLIGATIONS OF CONTRACTOR

3.1 Contractor shall deliver the Goods and perform the Work in accordance with the terms of the Purchase Order and ensure that the Work is performed in accordance with high standards of engineering practice, workmanship and professional conduct applicable to the Contractors industry. Contractor shall further ensure that the Goods and the Work is of a satisfactory quality and fit for its intended purpose as stated in the Purchase Order.

3.2 Contractor represents and warrants that it has examined the Purchase Order and will examine other data supplied from GMC from time to time.

3.3 No actions taken by GMC in checking, verifying, renewing, consenting to, approving, testing, inspecting the Work, or any acknowledgement hereof shall in any way relieve Contractor from its obligations or liabilities as stated in the Purchase Order.

4 PROGRESS AND DELIVERY

4.1 The Goods shall be delivered at the agreed time and place, properly packed and labelled. Unless this Agreement expressly states otherwise, delivery shall take place in accordance with the provisions of INCOTERMS 2010.

4.2 If GMC is responsible for transport, the Contractor shall, in good time (a minimum of 7 Days) prior to dispatch, request transport instructions from GMC. If the Contractor is responsible for transport, he shall as soon as possible and no later than on the date of dispatch send notice of shipment such that GMC can prepare for receipt of the Goods.

4.3 If the Contractor has reason to believe that any part of the delivery may be delayed, he shall immediately notify GMC. The Contractor shall, without undue delay and no later than 10 Days after such notice, inform GMC in writing about the cause of the delay, the estimated effect on the agreed delivery time, and proposed measures to avoid or minimise the delay.

4.4 If the measures the Contractor puts in place are not sufficient to prevent or minimise the delay, GMC may require the Contractor to take such measures as GMC deems necessary.

4.5 If the Contractor maintains that the measures required by GMC do not constitute part of his obligations pursuant to this Agreement, the provisions of clause 10 shall apply. The same applies if the Contractor believes the delay is caused by circumstances for which GMC is responsible.

4.6 The Contractor shall at its own cost obtain all the licences required to export the Goods to the agreed place of delivery or, if required by GMC, to the places from which the Goods shall be exported or integrated into another object.

5 DOCUMENTATION AND LABELLING

5.1 Packing lists, messages, invoices and other documentation must only relate to one Purchase Order and must be duly marked with the Purchase Order number, part number(s) and other specifications stated on the Purchase Order. The documentation shall be prepared in such a way that each item matches the Purchase Order with respect to the article number, part number, description and specification.

5.2 The Contractor shall mark the Goods with GMC's part number and in accordance with packing lists and instructions specified on the Purchase Order. The Contractor shall also mark the Goods in accordance with applicable EU directives and any national rules on labelling. If CE marking is required, the Contractor shall submit a declaration of conformity from the manufacturer or a certificate of conformity.

5.3 If the Goods originate in the EU or EFTA, GMC, or any third party GMC designates, must be supplied with a certificate of origin and customs invoice. Costs incurred by GMC due to the lack of a certificate of origin or customs invoice will be charged to the Contractor and deducted from the Price.

5.4 Documentation that does not conform with clause 4 may be returned by GMC. Certificates and other documents specified on the Purchase Order shall accompany the Goods. The delivery of documentation is part of the Goods and invoices will not be paid until all documentation has been received.

6 QUALITY ASSURANCE AND ENVIRONMENTAL MANAGEMENT

- 6.1** The Contractor shall have established, implemented and comply with a quality assurance system in accordance with the ISO 9000 series or an equivalent system.
- 6.2** GMC has signed the ICC charter on sustainable development and has established an environmental management system in accordance with ISO 14001. This also requires the Contractor to make continuous improvements in relation to the environment. It is expected that the Contractor, if he does not have an equivalent system, will demonstrate an awareness of environmental management by satisfying environmental requirements and ensuring the continuous improvement of his operations. The Contractor shall, in the same way as GMC, ensure compliance with recommendations from interested parties.
- 6.3** GMC reserves the right to accept and investigate the Contractor's, and any subcontractor's, systems for quality assurance and environmental management. The Contractor undertakes to provide any necessary assistance.
- 7 TRANSFER OF OWNERSHIP RIGHTS**
 - 7.1** Unless otherwise agreed, the Contractor shall label the Goods with GMC's name and store the Goods, as well as materials and equipment belonging to GMC and located in the place of production, separately from items belonging to the Contractor or third parties.
 - 7.2** Title to the Goods, or parts of the Goods, as well as appurtenant documentation to be supplied by Contractor passes to GMC when paid for, or when the Goods are identified, marked or separated, if this occurs first.
 - 7.3** The Contractor is not be entitled to withhold the Goods or any part thereof as security for claims against GMC, even if there is dispute about the Contractor's payment.

8 BANK GUARANTEE

- 8.1** GMC is entitled to require that the Contractor shall provide a bank guarantee. The guarantee shall at any given time correspond to 10% of the Price. Unless otherwise agreed, the guarantee shall be provided within 14 Days after the Agreement is signed. The guarantee shall apply for the entire amount until the warranty period has expired, ref. clause 13, or until all warranty work is completed, if this occurs later.
- 8.2** GMC is entitled to withhold payment of the invoice until a valid guarantee has been provided.

9 PRICE, PAYMENT AND AUDITS

- 9.1** GMC shall pay the Price specified in the Purchase Order..
- 9.2** Contractor shall subsequent to delivery submit to GMC a specified invoice covering the purchase with reference to GMC's Purchase Order.
- 9.3** Unless otherwise agreed, payment shall be made within 45 Days of receiving a correct invoice. GMC is entitled to withhold payment for disputed portions of an invoice.

10 VARIATIONS

- 10.1** GMC is entitled to order variations of the Goods or parts thereof, or to the Work. Variations may involve an increase or decrease in quantity, quality, nature, design or execution, as well as a change of delivery time, provided that such variations are within what the Parties could reasonably expect when the Agreement was signed. Variations shall be formalised by GMC issuing a written variation. The Contractor's obligations pursuant to the Agreement also apply to variations pursuant to this clause 10.

10.2 Once GMC issues an instruction/variation, the Contractor shall, within 7 Days, provide GMC with an overview that describes the variation work and any consequences for the Price and delivery time. GMC may require such an overview before a variation is issued.

10.3 If GMC is demanding that the Contractor perform work without a variation being issued and the Contractor is of the opinion that the demanded work is not part of his duties pursuant to the Agreement, the Contractor shall submit a request for a variation to GMC and as soon as possible thereafter prepare an overview in accordance with clause 10.2.

10.4 If the Contractor has not presented a demand for a variation within 10 Days after GMC has demanded that the work be done, Contractor loses the right to claim that the work is a variation of the Work/Goods.

10.5 Unless the Agreement states otherwise, the effect of the variation shall be agreed in writing between the Parties. The Price shall reflect the price level of the original Purchase Order.

10.6 The Contractor shall implement the variation without undue delay and without regard to whether the Parties have reached agreement on the effect of the variation on the Price and/or delivery time.

11 SUSPENSION

11.1 GMC may temporarily suspend the Work or parts thereof by sending written notice to the Contractor. The Contractor shall, without undue delay, inform GMC of the effects the suspension will have on the performance of the Work.

11.2 During the suspension period, Contractor shall maintain, store and protect the Goods and shall be entitled to compensation only for documented and necessary expenses in connection with demobilisation and mobilisation of personnel and for other substantiated costs reasonably incurred by Contractor as a direct consequence of the suspension.

11.3 The Contractor shall resume the Work immediately after being notified by GMC.

12 CANCELLATION

12.1 GMC may terminate this Agreement, any Purchase Order or parts thereof with immediate effect by notifying the Contractor. Following such a cancellation, GMC shall pay the amount due to Contractor for those parts of the Work that it can be documented have been performed at the time of the cancellation, and all direct costs incurred by the Contractor as a result of the cancellation.

13 CONTRACTORS WARRANTY

13.1 The Contractor warrants that the Work has been expertly performed in accordance with recognised industry standards. The Contractor further warrants that the Goods comply with applicable laws and regulations, applicable technical standards and the Purchase Order, drawings and specifications, and that any design performed by the Contractor is suitable for the purpose and use the Goods are intended to serve pursuant to the Agreement. The Contractor further warrants that the materials and equipment used are new and of high quality.

13.2 Unless otherwise agreed, the warranty period expires 24 months after they are used for their intended purpose.

13.3 If the Contractor has performed warranty work during the warranty period, a new warranty period of 24 months applies to those parts of the Goods the warranty work involved, counting from the date of the completion of the warranty work.

14 DEFICIENCIES, DEFECTS AND DELAYS

14.1 If the Goods are not in accordance with the warranties provided in clause 13 or have deficiencies, the Contractor shall immediately, or as otherwise notified by GMC, repair or replace them at no cost to GMC.

14.2 Should the Contractor fail to remedy a defect within a reasonable time after being notified of it, GMC may, if the period exceeds 5 days and after notifying the Contractor, carry out, or have a third party carry out, the necessary repairs or replacements at the Contractor's expense and risk. GMC can also claim compensation and/or damages in accordance with the applicable regulations.

14.3 If the Goods are delayed, GMC, unless otherwise agreed, is entitled to daily liquidated damages equal to 0.5% of the Price for each Day the Work is late, limited to maximum 15% of the Price.

15 PRODUCT LIABILITY

15.1 The Contractor shall indemnify GMC against all product liability claims made against GMC or which GMC may incur in relation to a third party user of the Goods provided that the liability can be attributed to the Goods or the Contractor's instructions regarding the use, operation or maintenance of the Goods.

16 TERMINATION

16.1 GMC may terminate the Agreement with immediate effect if:

- a) The Contractor becomes insolvent,
- b) The Contractor breaches a material provision of this Agreement,

c) GMC is entitled to maximum liquidated damages, or it is clear that GMC will be entitled to maximum liquidated damages.

16.2 Upon termination of the Agreement, GMC is, with the exceptions stipulated in clause 14, entitled to compensation and/or damages in accordance with the applicable regulations.

16.3 If the Agreement is terminated, GMC is entitled to acquire the Contractor's subcontracts and assume documentation, drawings, rights, equipment, materials, etc., required to enable GMC to complete the Goods.

17 FORCE MAJEURE

17.1 In the event a Force Majeure situation, the Parties are released from their obligations pursuant to this Agreement for as long as the Force Majeure situation lasts.

17.2 The Party invoking Force Majeure shall promptly notify the other Party thereof. The provisions of clause 10 shall apply accordingly.

17.3 The Parties are entitled to terminate the Agreement if the Force Majeure situation lasts more than 60 Days. If the Agreement is terminated, GMC is entitled to acquire the Goods in their current condition at the time of termination upon payment of a proportionate share of the Price.

17.4 Each Party shall cover its own costs caused by the Force Majeure situation.

18 INSURANCES

18.1 The Contractor shall ensure the taking out and maintenance of insurances covering any liability that may occur as a result of the Agreement, and ensure the Goods are insured until delivery has taken place.

18.2 The Contractor shall, upon GMC's request, present insurance certificates. The policies shall specify that GMC is a co-insured party, and the Contractor's insurers shall waive any right of subrogation in relation to GMC.

19 DUTY OF CONFIDENTIALITY

19.1 The Parties shall keep received information confidential in connection with this Agreement. Notwithstanding, GMC is entitled to transfer such information to a third party to the extent necessary in perform maintenance, modification, use and inspection of the Goods.

19.2 Either Party shall not publish information about the Agreement without the other Party's prior written consent.

20 OWNERSHIP OF DOCUMENTATION AND SOFTWARE, COPYRIGHT

20.1 Documentation and computer software that is made available to the Contractor by GMC, or which is developed on the basis of such information, shall belong to GMC and shall not be used for any purpose other than to fulfil the Agreement. At GMC's request, the Contractor shall return such documentation and computer software to GMC.

20.2 All inventions made by the Contractor as part of the fulfilment of this Agreement shall belong to the Contractor. The Contractor shall provide GMC with an irrevocable, royalty-free, transferable, non-exclusive licence to use inventions made by the Contractor as part of the fulfilment of the Agreement. To the extent necessary for the production, operation, maintenance or repair of the Goods, the same applies to all inventions that the Contractor has or later gains control over.

20.3 GMC shall have ownership of inventions made by the Contractor during execution of the Work that are based on or derived from technical information received from GMC. The Contractor shall notify GMC of all such inventions and provide GMC with the assistance necessary to get the inventions patented. GMC shall pay the Contractor for all reasonable expenses incurred by the Contractor in connection with such patent applications.

20.4 The Contractor is obliged to ensure that no conflicts exist between the Goods or their use and any third party rights. The Contractor shall indemnify GMC against claims that may arise as a result of violations of the rights of third parties.

21 LIABILITY FOR DAMAGES

21.1 The Contractor shall indemnify GMC against any claims related to:

- a) injury or death of any employee of the Contractor, and
- b) loss of or damage to property of the Contractor that may arise as a result of or in connection with the delivery of Goods and Work.

This shall apply regardless of any form of liability, whether strict or by negligence, on the part of GMC.

21.2 GMC shall indemnify the Contractor against any claims related to:

- a) injury or death of any employee of GMC, and
- b) loss of or damage to any property of GMC that may arise as a result of or in connection with the delivery of Goods and Work.

This shall apply regardless of any form of liability, whether strict or by negligence, on the part of Contractor.

21.3 Under no circumstances, whether as a result of breach of contract or warranty, indemnity, negligence, objective liability or otherwise, shall the Contractor or GMC be liable to the other Party for lost profits, loss of revenue, loss of production or any other indirect or consequential loss.

22 HEALTH, SAFETY AND THE ENVIRONMENT

22.1 The Contractor shall comply with applicable rules, regulations and standards relating to health, safety and the environment, and shall abide by and comply with all the requirements of local authorities at every stage of manufacture until the Goods are delivered. The Contractor undertakes to comply with the requirements of GMC and GMC's customer regarding health, safety and the environment.

22.2 The Contractor shall hold all the required permits and comply with all the requirements of public authorities concerning preservation of the environment at every stage of manufacture until the Goods are delivered.

23 TRANSFER AND SUBCONTRACTORS

23.1 Neither Party may assign this Agreement or any part thereof, or enter into subcontracts, without the prior written consent of the other Party which shall not be unreasonable withheld.

24 NORWEGIAN LAW AND DISPUTES

24.1 This Agreement shall be governed by and construed in accordance with Norwegian law.

Disputes arising under the Agreement shall be settled by court proceedings before Stavanger District Court.