



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 “Buyer” means the entity identified in the Purchase Order.
- 1.3 “Day” means calendar day.
- 1.4 “Force Majeure” means an event beyond a Party’s control that party affected 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 which will provide the Goods and/or Services as set out the Agreement.
- 1.6 “Goods” means the equipment, materials, documentation and other items supplied by GMC to the Buyer and any services performed pursuant to this Agreement.
- 1.7 “Parties” means GMC and the Buyer
- 1.8 “Party” means GMC or the Buyer
- 1.9 “Price” means the amount to be paid to GMC for the Goods and Services in accordance with a Purchase Order and any variation issued in accordance with clause 8.
- 1.10 “Purchase Order” means the separate document describing the Services and the delivery of Goods, together with these General Terms and Conditions.
- 1.11 “Services” means all work and services to be performed by GMC pursuant to the Agreement.

2 PURCHASE ORDER

- 2.1 The Buyer's Purchase Order shall be confirmed by GMC returning an approved and signed copy of it to the Buyer.

- 2.2 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 - PROGRESS AND DELIVERY

- 3.1 GMC shall perform the Services in accordance with the terms of the Agreement and with that degree of skill, care and diligence and good judgement normally exercised by a recognised professional firm performing services and deliver goods of the same or similar nature.
- 3.2 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.
- 3.3 Upon delivery, GMC shall ensure that the Goods is adequately packed and protected for transport to the Buyer. Unless otherwise agreed such packing and protection will reflect normal road transport. If the Buyer requests special packing and protection means and methods, written instructions shall be submitted to GMC in due time before delivery and all additional costs shall be invoiced to the Buyer unless otherwise explicitly agreed.

4 DOCUMENTATION AND LABELLING

- 4.1 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.

4.2 GMC shall mark the Goods in accordance with packing lists and instructions specified in the Purchase Order.

5 QUALITY ASSURANCE AND CONTROL

5.1 GMC undertakes to implement and maintain a quality assurance system appropriate for the delivery.

5.2 The Buyer shall have a system for receipt of the Goods and shall upon delivery without undue delay examine the Goods in order to verify that it is undamaged and in accordance with the Agreement.

6 TRANSFER OF OWNERSHIP RIGHTS

6.1 The Goods will become the property of the Buyer when the Price and any potential interests are paid in full by Buyer.

7 PRICE, PAYMENT AND AUDITS

7.1 Buyer shall pay the price specified in the Purchase Order.

7.2 GMC shall subsequent to delivery submit to Buyer a specified invoice covering the purchase with reference to Buyer's Purchase Order.

7.3 Payment shall be made by Buyer within 30 Days after the invoice date.

7.4 If Buyer fails to make payment to GMC within the due date, GMC shall be entitled to claim interests on the outstanding amount in accordance with the Norwegian Act "Interest on overdue payment" ("forsinkelsesrenteloven"). In addition, GMC may stop any remaining part of the delivery, if late payment exceeds 10 Days.

8 VARIATIONS

8.1 The Buyer is entitled to order variations of the Goods or parts thereof, or to the Services. 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 in writing by the Buyer.

8.2 Once the Buyer issues a variation, GMC shall as soon as possible provide the Buyer with an overview that describes the variation Services and any consequences for the Price and delivery time. The Buyer may require such an overview before a variation is issued.

8.3 If the Buyer is demanding that GMC perform any Services without a variation being issued and GMC is of the opinion that the demanded Services is not part of his duties pursuant to the Agreement, GMC shall submit a request for a variation to the Buyer and as soon as possible thereafter prepare an overview in accordance with clause 8.2.

8.4 If GMC has not presented a demand for a variation within 60 Days after the Buyer has demanded that the Services be done, he loses the right to claim that the variation is a variation of the Goods and/or Services.

8.5 GMC has no obligation to initiate the variation before the Parties have agreed on the price for the variation in writing.

9 CANCELLATION

9.1 The Buyer may cancel the Agreement, any Purchase Order or parts thereof with immediate effect by notifying GMC. Following such a cancellation, the Buyer shall pay to GMC a cancellation fee equivalent to 15% of the total price for the cancelled part, and pay the amount due to GMC for those parts of the Services that have been performed at the time of the cancellation, and all direct costs incurred by GMC as a result of the cancellation.

10 WARRANTY

10.1 GMC warrants that the Goods and Services comply with applicable laws and regulations and the Purchase Order. GMC further warrants that the materials and equipment used are new and of high quality.

10.2 Unless otherwise agreed, the warranty period for Good and Services expires 24 months after delivery. In case of rectification work, the warranty period expires 18 months calculated from the time of the rectification work was completed. The warranty period shall in no event exceed 36 months after delivery.

11 DEFICIENCIES, DEFECTS AND DELAYS

11.1 If the Goods are not in accordance with the warranties provided in clause 10 or have deficiencies, GMC shall in due date repair or replace them at no cost to the Buyer.

11.2 Should GMC fail to remedy a defect within a reasonable time after being notified of it, the Buyer shall, after written notification to GMC, carry out, or have a third party carry out, the necessary repairs or replacements at GMC's expense and risk. Such cost shall be limited to the cost for re-delivery and/or re-performance of the defected Goods/Services.

11.3 GMC shall under no circumstance be liable for costs relating to:

- a) Dismantling of other objects than the delivered Goods to provide access, if required; or
- b) Board and lodging offshore; or
- c) Transport to, from an at the offshore location (if applicable; or
- d) Heavy lift operations offshore; or
- e) Extra costs associated with reperformance of Goods below the water line.

11.4 Delay exists when GMC fails to deliver the Goods and Services within the time limits set out in the Purchase Order, unless caused by Buyer. If GMC has reason to believe that any part of the delivery may be delayed, GMC shall without undue delay notify the Buyer and thereafter, within reasonable time, inform the Buyer 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.

11.5 If the Goods are delayed, the Buyer, unless otherwise agreed, is entitled to liquidated damages equal to 0.15% of the price of the delayed part of the Purchase Order, for each Day the Services is late, limited to maximum 10% of the Price. The provisions of in this clause 11 are the Buyer's sole remedies against GMC's defects and/or delays.

12 FORCE MAJEURE

12.1 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.

12.2 The Party invoking Force Majeure shall promptly notify the other Party thereof. The provisions of clause 8 shall apply accordingly.

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

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

13 INSURANCES

13.1 GMC shall provide and ensure insurances covering any liability that may occur as a result of the Agreement, and ensure that the Goods are insured until delivery has taken place.

14 DUTY OF CONFIDENTIALITY

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

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

15 OWNERSHIP OF DOCUMENTATION AND SOFTWARE, COPYRIGHT

15.1 The Parties agree that all intellectual property owned by a Party prior to entering into the Agreement shall remain the property of that Party.

15.2 Documentation and computer software that is made available to GMC by the Buyer, shall belong to the Buyer and shall not be used for any purpose other than to make use of the Goods and Services. At the Buyer's request, GMC shall return such documentation and computer software to the Buyer.

15.3 All inventions made by GMC as part of the fulfilment of this Agreement shall belong to GMC.

16 LIABILITY FOR DAMAGES

16.1 GMC shall indemnify the Buyer against any claims related to:

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

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

16.2 The Buyer shall indemnify GMC against any claims related to:

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

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

16.3 Under no circumstances, whether as a result of breach of contract or warranty, indemnity, negligence, objective liability or otherwise, shall GMC or the Buyer be liable to the other Party for lost profits, loss of revenue, loss of production or any other indirect or consequential loss as defined in accordance with applicable law.

16.4 Notwithstanding any provision to the contract in this Agreement, Buyer shall hold harmless and indemnify GMC against all claims, damages, and losses which arise out of or in any way relate directly and/or indirectly to performance of the Agreement or is caused by the Services and/or the Goods in its lifetime and resulting from one or more of the following;

- a) Reservoir seepage or pollution originating under ground.
- b) Fire, explosion of blow-out of any well or reservoir.
- c) Escape of product from any facility at any offshore and/or onshore site

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

17 LIMITATION OF LIABILITY

17.1 Notwithstanding any other provisions to the contrary, GMC`s liability for breach of contract including but not limited to defects, damages, delays and any breach of other provisions of the Agreement, and irrespective of whether the Agreement or any Purchase Order are terminated or not, shall be limited to the 50% of Price. The Buyer shall indemnify GMC from and against any claim arising out of such loss or damage to the extent it exceeds the said limitation.

18 HEALTH, SAFETY AND THE ENVIRONMENT

18.1 GMC 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.

18.2 GMC 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.

19 NORWEGIAN LAW AND DISPUTES

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

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