

**1 General:**

- 1.1 These General Terms and Conditions ("GTC") shall apply to any sales of Spares and Products from Supplier to Buyer based on a proposal from Supplier (the "Proposal").
- 1.2 Acceptance of the Proposal including these GTC shall be deemed to have been made upon execution of a binding written Purchase Order from Buyer followed by a confirmation from Supplier (the "Order Confirmation").
- 1.3 Deviations from the GTC shall not apply unless agreed between the Parties in writing.
- 1.4 In case of inconsistency between the Purchase Order documents the following priority shall apply;
1. The Order Confirmation
 2. The Purchase Order
 3. The GTC
 3. The Scope & Technical Specifications

2 Definitions

In these GTC the following terms and their definitions shall apply:

Buyer	Means the company or person purchasing Spares and Products from Supplier
Client	Buyer's client and/or the ultimate user of the Scope
Computer Software	Means in this GTC the computer software which is included in the Product or Spare(s) and which consists of the Supplier's software and/or sublicensed software
Conditions	Means these GTC and any amendments thereto agreed to in writing by the Parties
Delivery Date	The date of Supplier's delivery of the Product and/or Spare(s) according to the Purchase Order.
End User	Means the document referred to in Clause 19.4 hereto
Facility	Supplier's Facility at Aksdal, Tysvær, Norway.
Force Majeure	As defined in Clause 11 hereto
Frozen Design	As defined in Clause 4.4 hereto
GTC	These General Terms & Conditions
IPR	As defined in Clause 12 hereto
Milestone Dates	Means the payment milestones as set forth in the Purchase Order.
Party	Means Buyer or Supplier, Parties means both.
Product	Means the product(s) offered and delivered by Supplier under this Purchase Order as further defined in datablad(s)/technical specification(s)
Proposal	Means any written document supplied by Supplier which offers Product(s) and/or Spare(s) for purchase and outline the commercial details of the purchase and the Technical Specification of the Product(s) and/or Spare(s) being offered.
Purchase Order	Means the written Purchase Order entered into between the Parties based on acceptance of a Proposal from Supplier
Purchase Price	Means the agreed price for the Scope as set forth in the Purchase Order.
Scope	The Product(s) and/or Spare(s) to be delivered by Supplier pursuant to the Purchase Order.
Services	All services offered to be performed by Supplier pursuant to the Purchase Order
Spares	Means spares offered and delivered under this Purchase Order.
Supplier	Means Kystdesign AS (org.nu. 979 390 718)
Supplier's Facility	Means Supplier's facilities at Eikeskogvegen 80, 5570 Aksdal, Norway
Termination Fee	Means the fee payable by Buyer upon termination for convenience (ref 10.1)

Technical Specification	Means the written details of the Product and/or Spares offered by Supplier in a Proposal.
Warranty Period	As defined in Clause 13.2 hereto.

3 Documentation and Information

- 3.1 All documentation regarding the Product(s) and/or Spare(s) and its manufacture, submitted by one Party to the other, prior or subsequent to the formation of the Purchase Order, shall remain the property of the submitting Party.
- 3.2 Documentation received by one Party shall not, without the written consent of the other Party, be used for any other purpose than that for which it was submitted. The documentation may not without the written consent of the other Party be copied, reproduced, transmitted or otherwise communicated to a third party.
- 3.3 The Supplier shall not provide more Technical documentation than that listed in the Proposal. The Supplier shall not supply manufacturing drawings of the delivered Product(s) and Spare(s).
- 3.4 Data in marketing material, price lists and other Product/Spare information are binding only to the extent they are expressly referred to in the Purchase Order.

4 Product Development

- 4.1 Supplier is a global frontrunner in its niche, a position kept by continuously being engaged in product development ("Product Development").
- 4.2 Supplier's Product(s) shall therefore not be used in competing products without Supplier's written consent.
- 4.3 In Product Development processes Supplier will work closely with Buyer to mitigate Buyer's needs and solve the technological challenges related to the targeted final performance of the new product.
- 4.4 The Product Development process shall result in an agreed Technical Specification – ("Frozen Design").
- 4.5 The delivery time for the Product provided under this clause shall be measured from Frozen Design.
- 4.6 The Supplier retains the intellectual property rights related to the new Product.

5 Supplier's obligations

- 5.1 Supplier shall deliver the Product(s) and/or Spare(s) as specified and within the Delivery Date as set forth in the Purchase Order.
- 5.2 Supplier shall provide the documentation as listed in the Proposal.
- 5.3 Supplier shall at Buyer's request and cost provide training for Buyer's crew to install, operate and maintain the Supplier provided Product(s) and/or Spare(s).
- 5.4 Supplier shall at Buyer's request and cost arrange for the transportation of the Product(s) and/or Spare(s) from Supplier's Facility to Buyer's onshore Site.

6 Delivery and Insurance

- 6.1 Delivery is Ex-Works (EXW - Incoterms 2010) at Supplier's Facility if not otherwise is specified in the Order Confirmation.
- 6.2 Product Title and Risk of Loss shall pass to Buyer at Delivery.
- 6.3 The Delivery Date is the date stated in the Order Confirmation.
- 6.4 If the Buyer fails to accept delivery on the Delivery Date, the Supplier shall arrange for storage of the Product at the Buyer's risk and expense. If the Buyer so requires, the Supplier shall insure the Product at the Buyer's expense.
- 6.5 Supplier can at Buyer's request and cost arrange for transportation of the Product(s) and/or Spare(s) to the address shown in the Purchase Order within the date stated in the Purchase Order.

- 6.6 Any cost associated with loading arrangements, export/import duties and transportation are for Buyer's account.
- 6.7 Supplier is liable for any damage or physical loss to the Product(s) and/or Spare(s) till Delivery and shall establish proper insurance for such loss or damage.
- 6.8 Buyer is liable for any damage or physical loss of the Product(s) and/or Spare(s) after Delivery, including shipment and transportation.
- 6.9 Supplier shall be deemed to have fulfilled its delivery obligations when the Product(s) and/or Spare(s) have been delivered on or before the Delivery Date.

7 Buyer's obligations

- 7.1 All installation work at Buyer's sites related to Supplier provided Product(s) and/or Spare(s) is to the risk and account of Buyer.
- 7.2 Buyer shall arrange for travels from its onshore site to its offshore site and back, board and lodging offshore, any crew transports, and medivac facilities for Supplier personnel at no cost to Supplier.
- 7.3 Buyer shall arrange for transportation and storage of the Product(s) and/or Spare(s) to, from, and at the offshore location at no cost to Supplier.
- 7.4 All Buyer's time related to input to the Technical Specification and follow up of the Product delivery is to the risk and account of Buyer.

8 Terms of Payment - Title

- 8.1 Buyer shall pay Supplier within 30 days following receipt of invoice – unless otherwise agreed in the Order Confirmation. Supplier shall invoice in accordance with the Milestone Dates – if any - set forth in the Proposal/Order Confirmation.
- 8.2 Interest on overdue payment shall be payable according to the Norwegian Delayed Payments Act of 1976 ("Morarenteloven"), or 3% above base lending rate of Barclays Bank Ltd., London, whichever is higher.
- 8.3 If the Buyer has failed to pay the amount due within three months after the due date, the Supplier may terminate the Purchase Order by written notice to the Buyer and, in addition to the rights according to Clause 8.2, claim compensation for the loss he has suffered. The compensation shall not exceed the agreed Purchase Price.
- 8.4 The Product(s) and/or Spare(s) shall remain the property of Supplier until paid for in full, to the extent that such retention of title is valid under the relevant law.

9 Taxes and duties, licenses and consents

- 9.1 The Purchase Price and any subsequent invoice thereto are exclusive of any and all taxes, withholding taxes, duties, levies, fees and charges assessed by any governmental or regulatory authority having jurisdiction over the sale of the Product(s) and/or Spare(s) and such taxes and duties are the sole responsibility of Buyer.
- 9.2 If any license or consent from any governmental or other authority shall be required for the Buyer's purchase, carriage or use of the Product(s) and/or Spare(s), Buyer shall obtain same at its own expense and if necessary, produce evidence of same to Supplier upon demand.
- 9.3 Failure to do as detailed in 9.2 shall not entitle Buyer to withhold or delay any payment of the Purchase Price.
- 9.4 Buyer shall be responsible for any additional expenses or charges incurred by Supplier resulting from such failure.

10 Termination

- 10.1 If Buyer terminates the Purchase Order for convenience, Buyer shall pay the unpaid balance



- due to Supplier for the part of the Work already performed and shall further pay a Termination Fee of 50% of the remaining Purchase Price.
- 10.2 If Buyer terminates the Purchase Order for cause, Buyer shall pay the unpaid balance due to Supplier for the part of the Scope already performed. Such cause could be Supplier's material breach of Purchase Order, maximum liquidated damages applied or Force Majeure according to Clause 11.4.
- 10.3 If Buyer becomes insolvent or does not fulfil his payment obligations according to Clause 8.3, or is in any other material breach of Purchase Order, Supplier may terminate the Purchase Order and claim compensation for damages and losses
- 11 Force Majeure**
- 11.1 Force Majeure means: An event or occurrence that: (i) delays or renders impossible the affected Party's performance of its obligations under this Purchase Order; (ii) is beyond the reasonable control of the Party affected and (iii) was, provided that such party could not reasonably have foreseeable, or if foreseeable could not have been prevented or avoided by the affected Party. To the extent that (i) through (iii) above are satisfied, Force Majeure include, without limitation, war (declared or undeclared), acts of terrorism, civil disturbances, revolts, insurrections, sabotage, catastrophic storms or floods, named tropical storms, tornadoes, hurricanes, typhoons, cyclones, tsunamis, earthquakes, national or industrywide strikes or lockouts, commercial embargoes, epidemics, fires, explosions and actions of a governmental authority.
- 11.2 A Party shall not be considered in breach of the Purchase Order (other than the obligation to pay monies due) to the extent it is proven that such Party was unable to fulfil its contractual obligations due to Force Majeure.
- 11.3 The Party invoking Force Majeure shall immediately notify the other Party, informing of the cause of delay and the presumed duration thereof.
- 11.4 Each Party is entitled to terminate the Purchase Order if the Force Majeure situation continues, or it is obvious that it will continue, for more than 60 days. In such case Buyer shall pay Supplier for all Scope performed up to the date of termination.
- 11.5 Charges for Services will not cease during Force Majeure – unless terminated.
- 11.6 Force Majeure shall also include a situation where the political situation at any place where the Purchase Order is performed is such that Supplier's or its subcontractor's personnel are hindered, either wholly or in part, in their performance of the Scope. Advice from government agencies or instructions from Supplier's corporate management restricting travel on the grounds of an unstable political situation shall be deemed to constitute such a hindrance to the performance of the Scope.
- 12 Intellectual Property Rights**
- 12.1 All Computer Software, copyrights, design rights, patents, trademarks, trade secrets and other Intellectual Property Rights ("IPR") in and covering the Scope or portions thereof prepared or developed by Supplier hereunder, shall remain the property of Supplier.
- 12.2 Computer Software means in this GTC the computer software which is included in the Product(s) and/or Spare(s), and which consists of the Supplier's software and/or sublicensed software.
- 12.3 The Supplier's software is computer software to which the Supplier holds the intellectual property rights. Sublicensed software is computer software to which a third party holds the intellectual property rights and to which the Supplier, with the rights holder's permission, grants the rights of use.
- 12.4 Unless otherwise agreed, the Buyer acquires a non-exclusive, perpetual right to use the Supplier's software in the use of the Product(s) and/or Spare(s). The Buyer may transfer this right of use to subsequent owners of the Product(s) and/or Spare(s).
- 12.5 The Supplier retains the right to the Supplier's software even when such software has been produced specially for the Buyer. The Buyer may at his own responsibility make such changes in the Supplier's software that are consistent with the general purpose for which the Product(s) and/or Spare(s) are intended.
- 12.6 Subject to limitations that may be agreed between the intellectual property rights holder and the Supplier, the Buyer acquires a non-exclusive, perpetual right to use the sublicensed software in the use of the Product(s) and/or Spare(s) and to transfer this right to subsequent owners of the Product(s) and/or Spare(s).
- 12.7 The Supplier is not obliged to provide the Buyer with the source code to the Computer Software. Nor shall the Supplier be obliged to provide the Buyer with updated versions of the Computer Software – unless as a part of a service agreement.
- 12.8 All drawings and documents from the Technical Specification and the Computer Software furnished by Supplier to Buyer in relation to the Product(s) and/or Spare(s) and its installation, commissioning, operation and maintenance, remain the property of Supplier and may not be disclosed or copied to any third party without Supplier's written consent.
- 13 Liability for defects - Warranty**
- 13.1 Supplier warrants that its Product(s) and/or Spare(s) are free from defects in design, material and workmanship.
- 13.2 Supplier warrants, for a period of twelve (12) months from Delivery (the "Warranty Period") that the Product(s) and/or Spare(s) will conform to the Technical Specification set forth in this Purchase Order.
- 13.3 If the Product(s) and/or Spare(s) fails to conform to the Technical Specification and upon inspection by Supplier, Supplier at its option and as Buyer's sole remedy will either repair or replace such defective or non-conforming parts of the Product(s) and/or Spare(s), that proves defective or non-conforming by reason of faulty design, material or workmanship, with the parts originally furnished or a technical equivalent at Supplier's sole discretion.
- 13.4 If the defect can be remedied by replacing or repairing the defective part, and if removal and re-installation of the part does not require special knowledge, the Supplier may demand that the Buyer sends the defective part to him, for repair or replacement. In such case the Supplier has fulfilled its obligations in respect of the defect when he delivers a duly repaired part or a replacement part to the Buyer. Transportation cost related to this will be for Buyer's account.
- 13.5 A condition of this warranty, is that the Product(s) and/or Spare(s) are commissioned, installed, operated and maintained strictly in line with Supplier's instructions and specifications. Failure to meet this requirement shall void all product warranty.
- 13.6 A further condition for this warranty is that the Product(s) must be operated in strict conformance with the technical limitations of the Product(s). The operation/ maintenance must be performed and documented by competent and certified service personnel. Failure to maintain evidence of conformance to this requirement shall void all warranty on the Product(s). Supplier shall have full access to Buyer's system log in order to verify the operation history of the Product(s) for this purpose.
- 13.7 Any repairs made as a result of this Clause shall be warranted for an additional twelve (12) months from the time of the warranty repair. This additional warranty applies only to the repaired or replaced product parts and is not a warranty extension on the original Product.
- 13.8 Supplier warrants that the services provided pursuant to this Warranty shall conform to the Technical Specification set forth in the Purchase Order. In the case of non-conforming services and provided Supplier is notified by Buyer prior to Supplier's departure from the worksite, Supplier shall re-perform that part of the non-conforming services.
- 13.9 Supplier's warranty obligations hereunder shall not apply if the Product/Spare defect or non-conformity was proven to be caused by:
- A) Buyer's failure to properly store, handle, install, commission, operate or maintain the Product/Spare as recommended by Supplier; or
 - B) The Product/Spare not being used for its intended purpose,
 - C) Buyer's utilization of spare parts not manufactured or supplied by Supplier; or
 - D) Buyer's utilization of consumables not recommended and/or provided by Supplier.
 - E) material in the Product delivered or imposed by the Buyer or his Client or a design stipulated or specified by them
 - F) conditions of operation deviating from the limitations described in the Technical Specification
 - G) normal wear and tear or deterioration
 - H) damage to the Product/Spare resulting from an accident, abuse, misuse, war or insurrection, natural or personal disaster, or any unauthorized disassembly, repair, service or modification.
- 13.10 Further, Supplier's warranty obligations under this article shall terminate if;
- A) Buyer fails to perform its obligations under this Purchase Order between the Parties, or
 - B) if Buyer fails to pay any monies due to Supplier, or
 - C) if the Buyer fails to notify Supplier of the defect in writing within the Warranty Period.
- 13.11 This Warranty sets forth the Buyer's sole remedy and Supplier's only obligation with regard to defective or non-conforming Product(s), Spare(s), or parts hereof. Except as otherwise expressly provided pursuant to the provisions of this Warranty, Supplier makes no other warranties or representations of any kind, express or implied, and Supplier disclaims the implied warranties of merchantability and fitness for any particular purpose.
- 13.12 In no event shall Supplier be liable to Buyer or Client of the Product(s) and/or Spare(s) for any damages, expenses, lost revenues, lost savings, lost profits or any other incidental, indirect or consequential damages arising from the purchase, use or inability to use the Product(s) and/or Spare(s).
- 14 Liquidated damages**
- 14.1 If Supplier due to causes under his own responsibility is delayed with delivery of the Product(s) and/or Spare(s) with more than 30 days, liquidated damages shall apply.
- 14.2 Liquidated damages are agreed by the Parties as a pre-assessment of the damage caused to and suffered by Buyer due to such delay in completion

- or low progress and shall not be construed as a penalty.
- 14.3 The liquidated damages shall be calculated as 0,5% of the Purchase Price per week from the 31st day.
- 14.4 Supplier's cumulative liability for liquidated damages under the Purchase Order is limited to 5% of the Purchase Price.
- 14.5 Notwithstanding any other provision in this Purchase Order liquidated damages are Buyer's sole remedy for delay.
- 15 Liability**
- 15.1 Buyer shall indemnify Supplier from and against any claim concerning:
- personal injury to or loss of life of any employee of Buyer,
 - loss of or damage to any property of Buyer arising out of or in connection with the Work.
- This applies regardless of any form of liability whether strict or by negligence, in whatever form, on the part of Supplier. All references to Buyer in this clause 16 shall include the Client and any affiliate or co-venturer of Buyer or Client, and the employees, officers, agents, insurers and invitees of any of the aforesaid.
- 15.2 Supplier shall indemnify Buyer from and against any claim concerning:
- personal injury to or loss of life of any employee of Supplier,
 - loss of or damage to any property of Supplier arising out of or in connection with the Scope.
- This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of Buyer. All references to Supplier in this clause 16 shall include any subcontractor of Supplier and any affiliate of Supplier or its subcontractor, and the employees, officers, agents, insurers and invitees of any of the aforesaid.
- 15.3 Supplier shall indemnify the Buyer from claims from a third party based on infringements of patents, copyrights or any other IP rights.
- 15.4 Buyer shall indemnify Supplier from Buyer's own indirect losses, and Supplier shall indemnify Buyer from Supplier's own indirect losses. This applies regardless of any liability, whether strict or by negligence, in whatever form, on the part of either Party. Indirect losses according to this provision include but are not limited to: loss of earnings, loss of business opportunity, loss of profit, loss of use, loss from subsea rescue operations and loss of production.
- 15.5 Except as otherwise provided in these Conditions, Buyer shall indemnify and hold harmless Supplier from and against any claims, losses, damages or costs (including legal costs) resulting from Buyer's use and operation of the Product(s) and/or Spare(s), howsoever caused, including the negligence or breach of duty of Supplier.
- 15.6 The Supplier shall have no liability for damage caused by the Product(s) and/or Spare(s) to any immovable or movable property, or for the consequences of such damage, if the damage occurs while the Product(s) and/or Spare(s) are in the Buyer's possession. The Buyer shall indemnify and hold the Supplier harmless to the extent that the Supplier incurs liability towards any third party in respect of loss or damage for which the Supplier is not liable according to this Clause.
- 15.7 Supplier shall not be responsible for any form of pollution.
- 15.8 Notwithstanding any other provision in the Purchase Order to the contrary, the total

- aggregate liability of Supplier with respect to the Scope under this Purchase Order whether based on law, contract, guarantees, delay, negligence, strict liability or otherwise, shall in no event exceed 50% of the Purchase Price and Buyer releases and agrees to indemnify and hold Supplier harmless from any liability in excess thereof.
- For the avoidance of doubt, if the liability applies to only one (1) Product and/or Spare under a Purchase Order for multiple Product(s) and/or Spare(s), then the Purchase Price shall be deemed as the price for only the particular Product/Spare to which the liability applies.
- 15.9 The remedies described in this Purchase Order shall constitute the Buyer's sole remedies against Supplier for any liability of Supplier under or in any way connected with the Purchase Order.
- 16 Confidentiality**
- 16.1 All information exchanged between the Parties, including the IPR and the terms of this Purchase Order, shall be treated as confidential and shall not be disclosed to a third party without the other Party's written permission, unless such information:
- is already in the unrestricted possession of the Party in question at the time the information was received.
 - is or becomes part of the public domain.
 - is rightfully received from a third party, without an obligation of confidentiality; and/or
 - is required to be disclosed by law.
- This confidentiality clause shall survive the expiration or termination of this Purchase Order.
- 17 Waiver**
- 17.1 No waiver by Supplier of any breach of any of the terms and conditions of the Purchase Order shall be construed as a waiver of any subsequent breach whether of the same or of any other term or condition hereof. No waiver shall be validly made unless made in writing.
- 17.2 No failure or delay on the part of Supplier to exercise any power, right or remedy under this Purchase Order shall operate as a waiver thereof nor shall any single or partial exercise by the Supplier of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy.
- 18 Assignment**
- 18.1 Buyer shall not be entitled to assign his rights and obligations under this Purchase Order to any third party without Supplier's prior written consent, which shall not be unreasonably withheld.
- 18.2 Supplier shall be entitled to assign his rights and obligations under the Contract, fully or partly, to an affiliate or to Supplier's finance institution.
- 19 Compliance, sanctions and export controls**
- 19.1 The Supplier warrants it will comply with all relevant rules and regulations governing its business.
- 19.2 Supplier's Code of Conduct describes in general the ethical principles according to which the company is governed and the behaviour that is expected from our employees and subcontractors.
- 19.3 The Buyer represents and warrants that it will comply with applicable sanctions and export control legislation in its performance of the Purchase Order, including but not limited to, laws, regulations, decisions or executive orders maintained or enforced by the European Union, Norway, the United Kingdom and the United States of America.
- 19.4 The Buyer shall not sell, provide, transfer or export, directly or indirectly, the Supplier's Product(s) and/or Spare(s) to any natural or legal

- person who is designated on any sanctions or restricted party list (whether by name or reason for being included in a class of persons), or is directly or indirectly owned or controlled by such designated natural or legal person, or to any project, end use or geographical area that would expose the Supplier to a risk of violating any sanctions maintained or enforced by Norway, the European Union, the United Kingdom, the United States of America, or other applicable sanctions authority. The Buyer shall make adequate and risk-based inquiries to ascertain if the project, end use or any potential third party to which the Product(s) and/or Spare(s) are to be made available is subject to any sanctions, either directly or indirectly, as described in the foregoing. For this purpose, the Buyer shall provide an End User Statement on Seller's format addressing the End User, the Purpose of Use and the Location of End Use and later on any changes to this End User Statement.
- 19.5 The Buyer is responsible for obtaining all export, import or distribution licenses or permits which may be required for the Buyer to lawfully conduct its business.
- 19.6 The Buyer shall notify the Supplier promptly in writing upon discovery of any instance where it (i) fails to comply with any of the provisions of this Clause 20 or (ii) is designated by any government department or agency as target of sanctions or export controls. In any such event, the obligation of the Supplier to deliver any Product(s) and/or Spare(s) may at the option of the Supplier be suspended or terminated with immediate effect without any liability for the Supplier. The Buyer shall indemnify and hold harmless the Supplier from and against any losses, damages and claims arising from breach of this Clause. This indemnity shall survive termination of the Purchase Order.
- 20 Applicable law, severability and disputes**
- 20.1 This Purchase Order shall be governed by and interpreted in accordance with Norwegian law.
- 20.2 If any law or court of competent jurisdiction invalidates, voids or amends any provision of these GTC, said provision will be deemed as deleted or modified to comply with such law or court, but these GTC including any such modified provision and all other provisions of the GTC shall not be affected.
- 20.3 Any disputes arising as a result or in connection with this Purchase Order, and which are not resolved by mutual agreement, shall be settled by ordinary court proceeding at the court of Stavanger, Norway.