General conditions for purchase of services

1 GENERAL PROVISIONS

These General conditions for purchase of services form part of Company's order. Any deviating conditions to these General conditions for purchase of Services shall only apply to the extent Company has accepted such deviating conditions in writing.

1.1 Contract shall mean Company's order, these General conditions for purchase of services, any amendments or variations to these conditions agreed in writing, Company's request for quotation and Contractor's offer.

Services shall mean all services to be performed or caused to be performed by Contractor pursuant to the Contract.

1.2 In the event of any conflict between the provisions of the Contract, the various contract documents shall be given priority in the following order:

- Company's order
- any amendments or variations to these conditions
- these General conditions for purchase of services
- Company's request for quotation
- Contractor's offer

1.3 Notices, claims, etc. which the Contract requires to be presented in writing, shall be sent by letter or electronic mail to the other party's appointed representative.

2 GENERAL OBLIGATIONS OF CONTRACTOR

2.1 The performance and the result of the Services shall meet the requirements of the Contract, be of high quality and the result shall be fit for its intended purpose. Unless otherwise agreed, Contractor shall perform the Services with that degree of skill, care, diligence and good judgement normally exercised by prudent, competent and properly qualified professional firms performing work of same or similar nature.

2.2 The performance and the result of the Services shall be in compliance with applicable laws and regulations. Contractor shall obtain and maintain all permits, certificates etc. necessary to perform the Services, and shall whenever requested by Company produce documentation showing that necessary permits, certificates etc. have been obtained.

2.3 Contractor shall not assign any part of the Services to subcontractors without Company's written consent. Such consent does not relief Contractor from any obligations pursuant to the Contract.

2.4 Contractor shall have a satisfactory system for HES and quality assurance suitable for the Services. Company is at any time entitled to carry out, and Contractor shall assist in carrying out, audits at Contractor's or any subcontractors' premises.

2.5 Company shall not be deemed to be the employer of Contractor's personnel, even if such personnel are performing all or parts of the Services in cooperation with Company.

2.6 If the Contract appoints key personnel in Contractor's organisation, such personnel shall not be replaced without Company's prior written consent. Such consent shall not be unreasonably withheld. Training of new personnel shall be for Contractor's cost.

2.7 Contractor shall at his own cost replace personnel who in Company's opinion conduct themselves in an improper manner or are unsuitable to perform the Services.

2.8 When work is carried out at Company's premises Contractor shall comply with any applicable rules concerning safety, health and working conditions. Company will inform Contractor about such rules.

2.9 In addition to complying with applicable laws and regulations regarding ethics, anti-corruption and human rights, Contractor shall also follow "Skagerak Energy's Supplier Code of Conduct", https://www.skagerakenergi.no/getfile.php/1327424-1663232505/Konsern/Filer/skagerakenergys_supplier_code_of_conduct_engelsk.pdf. Company will inform Contractor of any updates.

2.10 When Contractor considers the Services as completed, he shall notify Company in writing. Within a reasonable time thereafter, Company shall in writing either accept the Services as completed or state that the Services are not considered completed and the reason for this.

3 PROGRESS

3.1 If Contractor at any time has cause to believe that the Services cannot be performed in accordance with the contract schedule, he shall immediately notify Company in writing. The notice shall state the reason for the delay, the estimated effect on the contract schedule and a proposal as to how the delay can be recovered or limited. Contractor shall bear his own costs incurred to recover or limit the delay unless the delay is caused by Company or a force majeure event.

3.2 Contractor is liable for costs/losses that could have been avoided had Contractor given timely notice of the delay to Company.

4 VARIATIONS

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

4.2 Any variations shall be approved by Company by means of a written variation order before Contractor commences the variation work, unless Company notifies Contractor that he considers such work to be part of the Services already.

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

4.4 The compensation for variation work shall be based on the prices and rates contained in the Contract, and otherwise be in accordance with the Contract's price level. If a variation entails cost savings for Contractor, Company shall be credited accordingly.

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

5 SUSPENSION

5.1 Company may by written notice to Contractor temporarily suspend the performance of the Services or any part thereof. Following such notification Contractor shall without undue delay inform Company of the effects the suspension will have on the performance of the Services. Upon notification from Company Contractor shall resume the Services immediately.

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

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

6 CANCELLATION

6.1 Company may cancel the performance of the Services or any part thereof with immediate effect by written notice to Contractor.

6.2 Following such cancellation Company shall only be liable to pay the unpaid balance due to Contractor for that part of the Services already performed and to cover documented and necessary expenses incurred by Contractor as a direct consequence of the cancellation.

7 PAYMENT

7.1 Unless otherwise agreed, payment shall be made by Company within 30 days after Company's receipt of a correct invoice.

7.2 All invoices shall include the contract number and any other agreed references, and shall clearly indicate what the invoiced amount relates to. If the Services are compensated on a reimbursable basis, timesheets approved by Company shall be attached to the invoice. Company is entitled to return invoices that do not meet these requirements.

7.3 If the parties have agreed that Contractor shall provide a bank guarantee, Company shall not be obliged to make any payments prior to receipt of such guarantee.

7.4 Company is entitled to deduct any prepayments, accrued liquidated damages, any disputed or insufficiently documented amounts and any amounts owed by Contractor to Company against Contractor's invoices.

7.5 Contractor shall submit a final invoice within 45 days after Company has accepted the Services as completed. The final invoice shall include all Contractor's claims under the Contract. Any claims not included in the final invoice cannot be claimed later by Contractor.

7.6 Failure by Contractor to provide evidence of payment of any applicable taxes and other levies in relation to the Services shall entitle Company to withhold payment until Contractor either produces evidence or provides security satisfactory to Company for its payment of such taxes and levies. Company may recover from Contractor any liability incurred by Company as a consequence of Contractor's failure to pay any required taxes and levies.

7.7 During the performance of the Services and for up to two years after receipt of the final invoice, Company is entitled to audit at Contractor's premises all payments for reimbursable work.

8 BREACH OF CONTRACT

8.1 Delay

Delay exists when Contractor fails to comply with any milestone in the Contract, unless the delay is caused by Company or a force majeure event.

If Contractor's performance of the Services has such defects that the intended purpose of the Services is substantially frustrated, Company may consider this as delay until the defects are remedied.

8.2 Liability for delay

Unless otherwise agreed, liquidated damages shall accrue at a rate of 0.3% of the total agreed contract price per calendar day by which the Services are delayed. Liquidated damages shall, however, not exceed 15% of the total agreed contract price.

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

Company may terminate the Contract in case he has become entitled to be paid maximum liquidated damages for delay.

8.3 Defects

If a defect is discovered Company shall issue a written notice within reasonable time and in no event later than 24 months after Company has accepted the Services as completed. The same time limit applies in respect of rectification work, calculated from the time the rectification work was completed. The time limit for making a notice of defect does not commence until rectification work or other activities necessary to comply with the contractual requirements have been completed.

Company's approvals, comments, inspections etc. during the performance of the Services shall not release Contractor from any obligations under the Contract.

8.4 Liability for defects

If Company notifies Contractor of a defect, Contractor shall commence rectification of the defect without delay. The rectification work shall be postponed upon Company's justified request to Contractor to do so. Rectification work shall be performed at Contractor's account.

If Contractor fails to remedy the defect within a reasonable time or if awaiting Contractor's remedy will cause substantial inconvenience to Company, Company shall be entitled to remedy the defect himself or to employ a third party to do so at Contractor's account. Alternatively, Company shall be entitled to a price reduction.

Company shall be entitled to compensation for costs/losses suffered by Company due to defects. Such compensation is limited to direct costs/losses, unless Contractor or someone Contractor is responsible for has acted with gross negligence or wilful misconduct.

Company may terminate the Contract if the defect constitutes a substantial breach of contract. In such event, Company is entitled to reject Contractor's offer to remedy the defect or provide price reduction.

Unless otherwise agreed in writing, Contractor's liability for defects is limited to 100% of the total agreed contract price.

8.5 Other breach of contract

Any substantial breach of contract by Contractor, including any substantial breach of the Contract's provisions regarding HES or Company's Code of Conduct, shall entitle Company to terminate the Contract.

8.6 Indemnification

Contractor shall indemnify Company for any claims brought against Company if the performance or result of the Services constitutes an infringement of third party patent rights or other intellectual property rights.

9 FORCE MAJEURE

9.1 Force majeure means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the Contract and could not reasonably have avoided it or overcome its consequences.

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

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

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

10 INSURANCE

10.1 Contractor shall at his own costs procure and maintain liability insurance adapted to Contractor's operations and the nature of the Services.

10.2 Whenever requested by Company, Contractor shall provide an insurance certificate documenting that such obligation is fulfilled.

11 PROPRIETARY RIGHTS. CONFIDENTIALITY

11.1 Proprietary rights to the result of the Services

Unless otherwise agreed in writing, the result of the Services as and when it is performed becomes the property of Company. All reports, drawings, specifications and similar documents, including computer programs prepared in connection with the performance of the Services constitute part of the result of the Services.

Unless otherwise agreed in writing, this provision does not give Company proprietary rights to Contractor' design, technology, know-how, patents, etc. developed independently of the performance of the Services. Company shall be granted an irrevocable, royalty-free and non-exclusive right of use to those rights which are necessary for Company's use of the result of the Services.

11.2 Confidentiality

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

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

Information may also be disclosed to third parties to the extent necessary for execution of the Contract or use of the result of the Services, provided that the receiver of such information shall be bound by a confidentiality obligation similar to this item 11.2.

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

12 ASSIGNMENT OF THE CONTRACT

12.1 Company is entitled to assign his rights and obligations pursuant to the Contract to a third party. Contractor may not assign his rights and obligations pursuant to the Contract without Company's written consent which shall not be unreasonably withheld.

13 APPLICABLE LAW AND LEGAL VENUE

13.1 The Contract shall be governed by and interpreted in accordance with Norwegian law.

13.2 The parties shall seek to settle any disputes arising in connection with the Contract. If the parties are not able to settle the dispute by mutual agreement, the dispute shall be settled by court proceedings. Any court proceedings shall be brought before Nedre Telemark district court.