

PRO	TERMS & CONDITIONS PURCHASE		 Well Innovation
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GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND/OR SERVICES

1 Introduction

1.1 These general terms and conditions for purchase of Goods and/or Services shall apply for all Purchase Orders issued by PURCHASER to SUPPLIER unless other conditions are agreed upon in writing between the Parties. These general terms form an integral part of the Purchase Order in which they are referred to.

1.2 In these general terms and conditions the following words have the following meaning:

"PURCHASER" means the member of the Well Innovation group identified as Purchaser in the relevant Purchase Order.

"Force Majeure" means an event defined as Force Majeure in the ICC Publication no. 650.

"Goods" means materials, equipment, documentation and other goods to be delivered by SUPPLIER to PURCHASER pursuant to a Purchase Order.

"Parties" means PURCHASER and SUPPLIER together.

"Purchase Order" means a purchase order issued by the PURCHASER for Goods and/or Services to be delivered by SUPPLIER to PURCHASER, and wherein a reference is made to these general terms.

"SUPPLIER" means the company or person specified as such in the agreement with PURCHASER (if any) or the relevant Purchase Order.

"Services" means services to be provided by SUPPLIER to PURCHASER pursuant to a Purchase Order.

2 Offers/tenders

2.1 Cost relating to the preparation and submission of tenders shall be borne by SUPPLIER.

3 Purchase Order

3.1 The Purchase Order constitutes the entire agreement between the Parties, and shall take precedence over any agreements previously made and/or any tender documents or bid documents previously exchanged between the Parties, unless otherwise especially accepted by PURCHASER in writing.

3.2 Purchase Orders shall be issued by PURCHASER. SUPPLIER shall confirm the order either by signing PURCHASER'S Purchase Order and return the signed Purchase Order to PURCHASER or by returning an order confirmation confirming the Purchase Orders terms within 14 days after the date of the Purchase Order.

3.3 If SUPPLIER's order confirmation should diverge from the contents of the preceding Purchase Order from PURCHASER, or if SUPPLIER fails to confirm the Purchase Order in accordance with the preceding paragraph, then PURCHASER shall be bound and committed only if PURCHASER agrees to the deviation or the delayed confirmation in writing.

3.4 Divergent terms and conditions of the business of SUPPLIER shall only be valid if specifically accepted by PURCHASER in writing. This shall also apply in the events where SUPPLIER refers to its own general terms and conditions in an offer or in an order confirmation.

3.5 SUPPLIER shall before start of production use his professional skills to search for possible faults and omissions in the Purchase Order, including drawings, materials, design etc. provided by PURCHASER. SUPPLIER shall immediately notify the PURCHASER in writing if such faults or omissions are discovered.

4 Prices

4.1 The prices stated in the Purchase Order shall be considered as fixed unless expressly agreed to the contrary. All prices are exclusive of value added taxes (VAT) unless otherwise specified in the Purchase Order.

4.2 In the case of deliveries of Goods and/or Services charged for on a reimbursable basis, payment will not fall due pursuant to Clause 5 until PURCHASER has had reasonable time to control and accept all documentation on which the invoice is based.

4.3 PURCHASER does not accept invoice charges, dispatch charges or similar costs and charges unless set out in the Purchase Order.

5 Terms of payment

- 5.1 PURCHASER shall make payment within 45 days of receipt of a correct invoice, provided that all SUPPLIER's obligations pursuant to the Purchase Order have been fulfilled and that complete delivery of the Goods has taken place.
- 5.2 If delivery takes place earlier than set out in the Purchase Order, such early delivery only to be effectuated with the prior written consent of PURCHASER, the starting point for calculation of the payment date shall still be the delivery date set out in the Purchase Order.
- 5.3 Interest on overdue payments shall be payable to SUPPLIER pursuant to the Norwegian Act relating to Overdue Payments Act of 17th of December 1976 (Forsinkelserenteloven).
- 5.4 If advance payments are agreed upon, SUPPLIER shall provide an on demand refund bank guarantee on request, issued by a bank acceptable to PURCHASER, for a corresponding amount.
- 6 Terms of delivery and shipping instructions**
- 6.1 Delivery shall be made DDP (Delivery Duty Paid) INCOTERMS 2010 at the place set out in the Purchase Order.
- 6.2 SUPPLIER shall in good time prior to dispatch request dispatch instructions from PURCHASER. SUPPLIER shall also as soon as possible, and no later than on the date of dispatch, send an advice note advising of dispatch so that PURCHASER can make preparations for receipt of the Goods.
- 7 Packing list and certificates**
- 7.1 Packing lists/invoices etc. shall only relate to one Purchase Order and shall be duly marked according to specifications stated in the Purchase Order. Packing lists/invoices shall be completed so that each item corresponds to the Purchase Order with respect to item number, Goods description and specification.
- 7.2 All Goods shall be duly marked in accordance with packing lists and instructions stated in the Purchase Order. If the consignment consists of more than one package, each package shall contain a detailed list of contents.
- 7.3 For all deliveries, the Goods and packing lists shall be duly marked with the gross weight.
- 7.4 Any certificates and other documents specified in the Purchase Order shall be delivered together with the Goods. These documents are considered to be a part of the Goods and invoices will not be paid until the documents have been received.
- 8 Certificate of origin**
- 8.1 In the case of imported Goods requiring a certificate of origin, such certificate shall be submitted to PURCHASER or any third party specified by PURCHASER for this purpose.
- 8.2 Costs incurred by PURCHASER due to the lack of a certificate of origin shall be charged to SUPPLIER and deducted from the purchase price.
- 9 Time of delivery/delayed delivery**
- 9.1 Delivery shall be made at the time and place set out in the Purchase Order. Delivery on a different date may be effectuated only if PURCHASER has given its prior written consent thereto. SUPPLIER shall not be deemed to have fulfilled his obligations until all items specified in the Purchase Order have been completely delivered. Partial deliveries will not be accepted and cannot be considered to be partial fulfillment of SUPPLIER's obligations unless accepted in writing in advance by PURCHASER.
- 9.2 SUPPLIER shall immediately notify PURCHASER in writing if there is reason to believe that the agreed delivery time for the Goods cannot be met. Such notification shall state the cause of the delay and the likely overrun of the delivery time. SUPPLIER shall also inform PURCHASER about what actions he is taking to reduce the delay. Should SUPPLIER fail to give such notification in due time, SUPPLIER is liable for direct losses incurred by PURCHASER that could have been avoided if SUPPLIER had given PURCHASER such notification in due time.
- 9.3 If SUPPLIER's corrective actions, in PURCHASER's reasonable judgment, are not sufficient to reduce the delay, PURCHASER may require that SUPPLIER takes additional actions or the PURCHASER may take such actions itself, in each case for the SUPPLIER's account.
- 9.4 If delivery of the Goods or Services is delayed, PURCHASER is entitled to liquidated damages of 0.5% of the total Purchase Order value per calendar day or part calendar day. The total liquidated damages shall not exceed 15% of the total Purchase Order value. In the event that the direct losses incurred by PURCHASER due to the delay are higher than the amount of liquidated damages, PURCHASER may instead claim compensation for the losses.
- 10 Changes in the Purchase Order specifications**
- 10.1 PURCHASER has the right at any time to require changes to the specifications or other parts of the delivery in the Purchase Order, including changes in time of delivery, or an increase or reduction in quality, quantity, character, kind, features and characteristics of the delivery of the Goods and Services or part thereof, provided that such changes do not exceed what the parties could reasonably expect when the Purchase Order was issued by the PURCHASER. Changes shall be requested by PURCHASER issuing a change order.
- 10.2 SUPPLIER shall, as soon as possible, and within 14 days from receiving the change order, inform PURCHASER in writing of the effects the change order will have on the price, time of delivery and technical specification. If SUPPLIER fails to provide such information within the deadline, he shall lose his right to demand an adjustment of the price and/ or delivery time as a result of the change. All adjustments in the price shall correspond with the pricing method and principles applied for the rest of the Purchase Order.
- 10.3 Change orders shall be implemented immediately, even if the Parties have not reached agreement concerning the effects of the variation on price, time of delivery and technical specifications. Disagreement about compensation payable in respect of change orders shall not entitle SUPPLIER to withhold delivery of the Goods and/or Services.

10.4 If SUPPLIER is required to perform a specific piece of work that in the opinion of SUPPLIER is not part of its obligations under the Purchase Order, the SUPPLIER shall have the right to submit a change order request to PURCHASER and as soon as possible thereafter prepare an estimate of the change. PURCHASER shall, within a reasonable time after receipt of the change order request and estimate issue a change order or, if PURCHASER disagrees with the scope or the effect of the change order request, issue a variation order clearly stating the disputed parts of the variation order request.

11 Assignment of rights and obligations

11.1 PURCHASER has the right to assign his rights and obligations under this Purchase Order to any third party.

11.2 SUPPLIER may not assign in full or in part its obligations pursuant to the Purchase Order without prior written consent from PURCHASER, such consent may not be unreasonably withheld.

12 Defects and guarantees

12.1 SUPPLIER guarantees that the Goods are free of fault in material, workmanship, design and function, and that the Goods and Services comply with the standards of the Purchase Order specifications and applicable laws and regulations. SUPPLIER undertakes at its own cost to repair all defects caused by faults in construction, materials or production, during a period of at least 18 months from the date the Goods are put into use for their intended purpose. The maximum warranty period is limited, however, to 24 months from the actual delivery date. In the event that the Goods are out of use for a period due to SUPPLIER's default, the warranty period shall correspond to the period it has been possible to use the Goods for their intended purpose.

12.2 Parts that are replaced / repaired in accordance with the above warranty provisions shall have a renewed warranty period equal to the original warranty period.

12.3 If SUPPLIER fails to remedy a defect within reasonable time after receipt of PURCHASER's notification, PURCHASER may choose one or more of the following alternatives:

A. Withhold an amount sufficient to ensure rectification of the Goods

B. Demand a new delivery

C. After informing SUPPLIER in writing, rectify the defects at SUPPLIER'S cost, either using his own resources or by using other suppliers

D. Demand a price reduction

12.4 Should the Goods have material defects of a nature that cannot be remedied within a reasonable period, PURCHASER is entitled to cancel the Purchase Order and to be compensated by SUPPLIER for his direct losses. The same applies if the Goods with material defects have not been rectified within a reasonable period. Should PURCHASER suffer indirect losses as a result of defects in the Goods, he shall be entitled to be compensated by SUPPLIER for such losses in case of negligence on the part of SUPPLIER or on the part of someone for whom SUPPLIER is responsible.

13 Cancellation and termination

13.1 PURCHASER has the right to cancel the Purchase Order by giving written notice to SUPPLIER. PURCHASER shall in such event pay to SUPPLIER the unpaid amount due for the work already performed with respect to the Goods and Services and in addition all direct costs reasonably incurred by SUPPLIER due to cancellation.

13.2 PURCHASER has the right to terminate the Purchase Order with immediate effect by giving written notice to SUPPLIER, if (i) SUPPLIER becomes insolvent, (ii) SUPPLIER is in material breach of its obligations hereunder, or (iii) SUPPLIER has become liable for maximum liquidated damages pursuant to Clause 9.4.

14 Insurance

14.1 SUPPLIER shall at own cost take out and maintain a liability insurance accommodated to SUPPLIER's activities, covering loss or damage to personnel or materials with a liability cover satisfying PURCHASER's requirements. SUPPLIER shall at own cost take out and maintain all insurances imposed by law, including but not limited to workman's compensation insurance

14.2 SUPPLIER shall ensure that the insurance company waives any right of subrogation against PURCHASER and that PURCHASER is notified directly by the insurance company if the terms are changed or the insurance is cancelled or expired. Further on, SUPPLIER shall ensure that the insurance is of such type that it is valid for minimum one month after the notification of PURCHASER as described in the previous sentence.

14.3 SUPPLIER shall on request provide copy of the insurance policy or an insurance certificate describing the insurance cover for the assignment. SUPPLIER shall also at request provide statement from the insurance company confirming that the requirements in Clause 14.2 are fulfilled.

15 Indemnity and indirect losses

15.1 SUPPLIER shall indemnify PURCHASER and PURCHASER'S customers from and against any claim concerning personal injury, sickness, death or loss of or damage to any employee or property of SUPPLIER that may arise in connection with the Purchase Order. This shall apply irrespective of how the loss or damage is caused.

15.2 PURCHASER shall indemnify SUPPLIER from and against any claim concerning personal injury, sickness, death or loss of or damage to any employee or property of PURCHASER that may arise in connection with the Purchase Order.

- 15.3 Neither the PURCHASER nor the SUPPLIER shall be liable for any consequential or indirect losses of the other.
- 16 Force Majeure**
- 16.1 Neither of the Parties shall be deemed to be in breach of an obligation under the Purchase Order if the party can substantiate that fulfillment of the obligation has been prevented by Force Majeure. The affected party shall immediately notify the other party of the Force Majeure situation. If a party fails to give such notification, it shall be precluded from claiming the right to be relieved of its obligations.
- 16.2 In case of the event of Force Majeure, each party shall be responsible for its own costs resulting from the Force Majeure situation. If the performance under the Purchase Order is suspended under this Clause 16 for more than 30 days, either Party shall be entitled to terminate the Purchase Order by written notice to the other Party.
- 17 Right to information**
- 17.1 On request, PURCHASER shall be entitled to all requested information from SUPPLIER relating to the Goods and/or the performing of work under a Purchase Order, including satisfactory progress reports, information relating to subcontractors etc.
- 17.2 SUPPLIER shall permit PURCHASER and PURCHASER'S clients to carry out such inspections at SUPPLIER's or his subcontractor's premises as PURCHASER deems to be necessary. Inspections carried out by PURCHASER shall not relieve SUPPLIER of his contractual responsibilities.
- 18 Title and risk**
- 18.1 Title to the Goods, or parts of the Goods, hereunder the technical documentation to be supplied by SUPPLIER pursuant to the Purchase Order passes to PURCHASER as the work progresses and when parts are identified and marked for the purpose of the Purchase Order. SUPPLIER shall clearly mark and identify such (parts of the) Goods and if possible keep them separate from other goods.
- 18.2 Risk of loss of or damages to the Goods shall pass upon delivery in accordance with Clause 6.1.
- 18.3 All drawings, specifications and other technical documentation transmitted by PURCHASER to SUPPLIER shall remain the property of PURCHASER and shall not be copied or disclosed to any third party without the prior written consent of PURCHASER.
- 19 Intellectual property rights**
- 19.1 Drawings, specifications, dies, patterns, tools, data-discs and other information or documentation provided by PURCHASER to SUPPLIER shall be the exclusive property of PURCHASER and shall not be disclosed to any third party without PURCHASER's prior written approval. PURCHASER may require SUPPLIER to execute a separate declaration of confidentiality to this effect.
- 19.2 In so far as any Purchase Order, as whole or in part, contains design work or the development of drawings, specifications, dies, patterns, tools software or other registered or unregistered intellectual property rights, all results of such performances shall be the exclusive property of PURCHASER.
- 19.3 Drawings, specifications, dies, patterns, tools, data-discs and other intellectual property rights developed by SUPPLIER prior to the date of the Purchase Order or otherwise not connected to the work to be performed pursuant to the Purchase Order, shall remain the exclusive property of SUPPLIER. For intellectual property right remaining the exclusive property of SUPPLIER, SUPPLIER shall grant to PURCHASER an irrevocable, royalty-free, non-exclusive transferable license to such intellectual property rights to the extent necessary for the supplier to manufacture (or have manufactured), operate-use, market, sell and repair the goods.
- 19.4 It is SUPPLIER's responsibility that the Goods and their use do not infringe any patent or other proprietary rights of any third party, and SUPPLIER shall indemnify PURCHASER from and against any losses incurred by PURCHASER based on claims for patent, trademark, copyright or any other intellectual property right infringements arising from the purchase, installation or use of the Goods or Services.
- 20 Subcontractors**
- 20.1 SUPPLIER shall secure PURCHASER'S rights under this Purchase Order in relation to SUPPLIER's subcontractors.
- 20.2 SUPPLIER shall not enter into any subcontract concerning parts of the work without the prior consent of PURCHASER. Pursuant to this agreement, SUPPLIER is liable to PURCHASER for such subcontractors as if the subcontracted work were performed by SUPPLIER himself.
- 21 Disputes**
- 21.1 This agreement shall be governed by and construed in accordance with Norwegian law.
- 21.2 Disputes arising in connection with or as a result of the Purchase Order, and which are not resolved by mutual agreement, shall be settled by court proceedings and be subject to the exclusive jurisdiction of the Norwegian courts with Stavanger city court as agreed venue.