

1. DEFINITIONS

Where the following words and expressions appear in upper case, they shall have the meaning hereby assigned to them:

“AFFILIATES” means the parent company of COMPANY or SUPPLIER or any other company which, according to the Norwegian Public Limited Company Act (Allmennaksjeloven) Section 1-3, shall be regarded as a subsidiary company of the parent company of COMPANY or SUPPLIER.

“COMPANY” means Aker BP ASA, a company registered and formed under the laws of Norway, with company registration number 989 795 848, and having a registered address at Oksenøyveien 10, 1366 Lysaker, Norway and includes its officers, employees (including agency personnel), successors and assigns.

“COMPANY GROUP” means COMPANY, its AFFILIATES, CO-VENTURERS including their AFFILIATES, COMPANY’S other contractors and their contractors and their subcontractors, COMPANY’S invitees, and personnel employed in or engaged by the aforesaid corporate entities, and others whose services are used by COMPANY relating to the ORDER but shall not include any member of SUPPLIER GROUP.

“COMPANY REPRESENTATIVE” means COMPANY’S representative named in the ORDER.

“CO-VENTURERS” means any company (excluding COMPANY), or their permitted assigns:

- a) having an ownership interest in a COMPANY operated field where GOODS are in support; and
- b) with whom COMPANY has entered into a Unit Operating/Joint Venture Agreement for searching for and winning hydrocarbons in the form of oil or gas on the Norwegian Continental Shelf;

or the successor in interest of any such company.

“GOODS” means the material and/or goods to be supplied by SUPPLIER in accordance with the ORDER.

“ORDER” means the terms and conditions contained herein together with the Purchase Order placed by COMPANY with SUPPLIER for the purchase of GOODS.

“PARTY” or “PARTIES” means COMPANY or SUPPLIER individually as a Party to the ORDER or jointly as Parties to the ORDER.

“PERSONNEL” means all persons, whether employees or agents involved by any member of SUPPLIER GROUP for the purposes of providing support for the ORDER

“SUPPLIER” means the person(s) or company to whom the ORDER is addressed and includes its officers, employees (including agency PERSONNEL), successors and assigns

“SUPPLIER GROUP” means SUPPLIER, its subcontractors of any tier, its and their AFFILIATES, SUPPLIER’S invitees, and PERSONNEL employed in or engaged by the aforesaid corporate entities, and others whose services are used by SUPPLIER relating to the ORDER but shall not include any member of COMPANY GROUP.

“THIRD PARTY” means any party, that is not a member of COMPANY GROUP or SUPPLIER GROUP.

2. THE ORDER

The ORDER entered into by COMPANY and SUPPLIER is for the supply of GOODS as described in the ORDER.

The terms and conditions contained herein shall form part of the ORDER. They shall not be varied and no conditions contained in quotations, letters, advice notes, invoices or other communications issued by the SUPPLIER shall annul or vary them or any instructions contained in the ORDER unless expressly agreed by the PARTIES in writing.

3. COMPANY REPRESENTATIVE

COMPANY REPRESENTATIVE shall have the necessary authority to issue instructions as may be necessary for the proper execution of the ORDER and to stop or suspend any part of the ORDER that, in the opinion of COMPANY REPRESENTATIVE, is not to a satisfactory standard and to require SUPPLIER to make good that item of the ORDER as necessary, at no additional cost to COMPANY.

4. PERFORMANCE AND DELIVERY

SUPPLIER shall perform work and deliver GOODS in a professional, diligent and careful manner and in accordance with the standards and practices applicable for the relevant GOODS.

GOODS shall be:

- a) in first class condition free from defects, inspected, maintained, calibrated, preserved and in accordance with manufacturers’ specifications and manuals;
- b) fit for its or their intended purpose as set out in the ORDER or in the absence of such in accordance with the purpose of which equivalent equipment is generally used in the oil- and gas industry;
- c) supplied strictly in accordance with COMPANY’S requirements stipulated at Aker BP website <https://www.akerbp.com/wp-content/uploads/2019/02/2019.01.31-Cargo-Delivery-Instructions.pdf>;
- d) accompanied by a delivery note and/or packing slip quoting the ORDER number and details of the GOODS supplied.
- e) accompanied with all certification and documentation as may be necessary.

Delivery shall not be deemed to have taken place until the GOODS and any items which should naturally accompany them, including packaging, certificates, drawings and any other required documentation, have been delivered.

If any member of SUPPLIER GROUP shall carry out assembly, functional tests or similar, delivery shall not be deemed to have taken place until such assembly and testing has been completed and COMPANY has confirmed that the delivery has been accepted.

Without prejudice to any other right or remedy which COMPANY may have, if GOODS are not supplied in accordance with any of the terms of the ORDER, COMPANY shall be entitled to cancel the ORDER at SUPPLIER’S cost.

SUPPLIER shall obey all applicable laws and regulations, ordinances, statutes and other rules as well as all requirements and orders of relevant classification societies and shall, unless otherwise stipulated in the specifications, obtain and pay for all licences and permits necessary for the performance of work in accordance with such laws, statutes, ordinances, rules and regulations.

5. TERMS OF DELIVERY

Delivery terms and handover location for delivery of GOODS shall be as specified in the ORDER. Delivery terms shall be interpreted according to Incoterms 2010 <https://iccwbo.org/publication/incoterms-rules-2010/>.

Unless specifically agreed to the contrary in the ORDER COMPANY shall be responsible for providing necessary transportation between SUPPLIER'S base or facility and COMPANY'S designated supply base for GOODS. SUPPLIER shall offer at no additional cost to COMPANY all necessary assistance at SUPPLIER'S base or facility as may be required by COMPANY'S appointed Transport Agent for securing or removing GOODS on or from the means of transport provided by COMPANY'S appointed Transport Agent.

If SUPPLIER has reason to believe that the supply of GOODS will deviate from the provisions in the preceding paragraph, SUPPLIER shall immediately notify COMPANY. SUPPLIER shall without undue delay after such notification give COMPANY the following information:

- a) the reason for the delay;
- b) the expected impact; and
- c) the measures it considers appropriate to avoid, recover or limit the delay.

If the measures proposed or implemented by SUPPLIER are insufficient in COMPANY'S opinion to avoid or recover the delay, then COMPANY may require SUPPLIER to take such measures as COMPANY considers necessary.

6. LIQUIDATED DAMAGES

In the event SUPPLIER fails to deliver the GOODS at the required location and date stipulated in the ORDER and such failure is not accountable to COMPANY or force majeure then COMPANY shall have the right, if stipulated in the ORDER, to enforce upon SUPPLIER liquidated damages.

In the event of delay exceeding thirty (30) days, or if it becomes evident that the delay will be more than thirty (30) days, or the delay is caused by gross negligence or wilful misconduct by SUPPLIER, COMPANY shall have the option to cancel the ORDER and claim compensation for all direct costs and losses arising from the delay. Such compensation shall not exceed the proportionate total value of the ORDER.

7. TITLE AND RISK OF LOSS

SUPPLIER shall be responsible for the care of GOODS whilst in the custody of SUPPLIER GROUP. If any loss or damage occurs when GOODS are in the custody of SUPPLIER GROUP, SUPPLIER shall at its own cost repair or replace the same. GOODS shall be in the custody of SUPPLIER GROUP until delivered to COMPANY in accordance with the ORDER.

Title to GOODS shall pass to COMPANY upon delivery. If payment has been made in advance, property shall pass gradually to COMPANY as payments take place, even if GOODS or parts thereof remain with any member of SUPPLIER GROUP. SUPPLIER shall nonetheless carry the risk of loss of or damage to GOODS until delivery has taken place.

SUPPLIER shall mark GOODS ordered by COMPANY and everything belonging to COMPANY as COMPANY'S property, keep them separate from the property of any member of SUPPLIER GROUP or THIRD PARTY and ensure that no part thereof is subject to any liens to the benefit of any member of SUPPLIER GROUP or THIRD PARTY.

8. WARRANTY

SUPPLIER shall without undue delay and at no additional cost to COMPANY replace any GOODS found to be defective or not in accordance with the requirements or operations intended.

SUPPLIER'S warranty period for defective GOODS shall apply to defects which become apparent within twenty-four (24) months after COMPANY'S acceptance of the GOODS.

In the event COMPANY within the warranty period gives notice in writing to SUPPLIER that GOODS are defective or fail to meet the requirements of the ORDER or damage has occurred to GOODS which damage is a result of the acts and/or omissions of SUPPLIER GROUP then SUPPLIER shall forthwith upon receipt of such notice, and at its own cost repair or replace the GOODS. If SUPPLIER repairs or replaces GOODS then the provisions of this Article shall apply to such portion until the expiry of twenty-four (24) months from the date of delivery to COMPANY of the repaired or replaced GOODS (as applicable).

In consideration of the payments specified in the ORDER, SUPPLIER shall forthwith upon receipt of such notice, and at its own cost, repair or replace GOODS. If SUPPLIER re-performs, repairs or replaces any portion of the work, the provisions of this Article shall apply to such portion until the expiry of twenty-four (24) months from the date of re-performance of the work or the date of delivery to COMPANY of the repaired or replaced GOODS (as applicable).

COMPANY may as an alternative to the remedies set out in this Article claim a reduction in the ORDER price which is proportionate to the value of the defect in relation to the GOODS.

9. LIABILITY AND INDEMNITY

SUPPLIER shall indemnify COMPANY GROUP from and against any claim concerning:

- a) personal injury to or loss of life of any PERSONNEL of SUPPLIER GROUP,
 - b) loss of or damage to any property of SUPPLIER GROUP,
- arising out of or relating to the ORDER.

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of COMPANY GROUP.

COMPANY shall indemnify SUPPLIER GROUP from and against any claim concerning:

- a) personal injury to or loss of life of any personnel of COMPANY GROUP,
 - b) loss of or damage to any property of COMPANY GROUP,
- arising out of or relating to the ORDER.

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of SUPPLIER GROUP.

SUPPLIER shall indemnify COMPANY GROUP from and against any claim arising out of loss or damage suffered by a THIRD PARTY in connection with the ORDER to the extent that any such loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of SUPPLIER GROUP.

COMPANY shall indemnify SUPPLIER GROUP from and against any claim arising out of loss or damage suffered by a THIRD PARTY relating to the ORDER to the extent that any such loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of COMPANY GROUP.

Notwithstanding any provisions to the contrary elsewhere in the ORDER, and except to the extent of any liquidated damages or cancellation fees provided for in the ORDER, COMPANY shall indemnify SUPPLIER GROUP from own indirect losses of any member of COMPANY GROUP and SUPPLIER shall indemnify COMPANY GROUP from own indirect losses of any member of SUPPLIER GROUP.

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of either COMPANY GROUP or SUPPLIER GROUP.

10. INSURANCE

SUPPLIER shall take out and maintain with a first-class insurance company, insurance adequate to cover its liabilities under the ORDER, and to fulfil any requirements of government or other appropriate bodies.

Such insurances shall be placed with a reputable and substantial insurer and in terms generally accepted within the oil and gas industry.

All such insurances shall provide for the waiver of underwriter's rights of subrogation in favour of COMPANY GROUP.

COMPANY shall be provided with certificates of insurance upon request.

11. CANCELLATION

COMPANY may, at its absolute discretion, cancel the ORDER with or without cause at any time.

Any cancellation shall become effective in the manner specified in the Notice of Cancellation and shall be without prejudice to any claim which COMPANY may have against SUPPLIER. On receipt of such Notice, SUPPLIER shall, unless the Notice of Cancellation directs otherwise, immediately discontinue all work in support of the ORDER.

In the event the ORDER is cancelled by COMPANY without cause, SUPPLIER shall have the following rights, obligations and duties:

- a) COMPANY shall assume and become liable for all reasonable obligations, commitments and claims that SUPPLIER may have, in good faith undertaken or incurred in connection with the ORDER and COMPANY shall thereupon be entitled to all rights, set-offs and benefits held by SUPPLIER under, or in connection with, such obligations, commitments and claims.
- b) SUPPLIER, as a condition of receiving payments provided herein, shall execute all documents and take all steps required by COMPANY to vest such rights, set-offs and benefits in COMPANY.
- c) COMPANY shall reimburse SUPPLIER, insofar as such charges shall not have already been covered by payments to SUPPLIER, for:
 - i. GOODS supplied in accordance with the ORDER up to the date of cancellation; and
 - ii. any direct, reasonable, justified and substantiated additional costs necessarily incurred by SUPPLIER in giving effect to COMPANY'S instructions regarding cancellation.

In the event the ORDER is cancelled by COMPANY with cause, COMPANY shall only be liable to reimburse SUPPLIER for GOODS supplied up to and including the date of cancellation.

12. SUPPLIER'S DEFAULT

Without prejudice to any other the rights available to COMPANY, if SUPPLIER is in breach of any of the following:

- d) fails to proceed with the ORDER with due diligence and expedition;
- e) are delayed with the delivery of GOODS;
- f) persistently or flagrantly neglects to carry out its obligations under the ORDER;
- g) fails to comply with any reasonable instructions given to it in writing by COMPANY in connection with the ORDER;
- h) assigns or sub-contracts part of the ORDER without the approval of COMPANY;
- i) abandons the ORDER; or
- j) contravenes the provisions of the ORDER;

COMPANY may give notice in writing to SUPPLIER to make good the failure, neglect or contravention complained of. Should SUPPLIER fail to comply with the notice within seven (7) days from the date of receipt thereof in the case of a failure, neglect or contravention capable of being made good in that time, or otherwise within such time as may be reasonably necessary for making it good, then COMPANY shall be at liberty to cancel the ORDER

13. INVOICES AND PAYMENT

Invoices including all supporting substantiation/documentation shall be submitted on a monthly basis and forwarded by e-mail to the following address:

invoice@akerbp.com

Each invoice shall be effected in the currency specified in the ORDER and issued as one original pdf file including all supporting substantiation/documentation. COMPANY shall only accept one invoice in each pdf file.

Value Added Tax (VAT) if applicable shall be stipulated as a separate item on invoices.

To ensure effective handling and payment of invoices SUPPLIER shall state the following details on each invoice:

- a) ORDER number; and
- b) SUPPLIER'S VAT and/ or organization number(s).

Failure by SUPPLIER to adhere to any of the aforesaid may result in invoices being returned to sender and/or considerable delay in payment. In any such event COMPANY will not be held accountable for any loss of interest.

All amounts due to SUPPLIER for the supply of GOODS shall be invoiced at the latest within ninety (90) days after the supply of GOODS according to the ORDER is completed. If SUPPLIER fails to do so COMPANY will not be obliged to pay the invoice.

COMPANY shall pay the amount due to SUPPLIER within thirty (30) days after receipt of a correct invoice.

COMPANY is entitled to return invoices that do not meet the requirements in the ORDER.

The following deductions may be made from any payments:

- a) Any previous payment on account to SUPPLIER which relates to the supply of GOODS covered by the invoice.
- b) Such parts of the invoiced amounts as are insufficiently documented or otherwise disputed, provided COMPANY, as soon as possible specifies what documentation is considered insufficient and/or what the dispute concerns.
- c) All amounts due to COMPANY from SUPPLIER, provided COMPANY is entitled to make such deductions according to applicable law.

If it is later established that COMPANY had an obligation to pay the withheld amount, then COMPANY shall pay interest at the rate of NIBOR (one month) plus one per cent calculated from the due date for payment of the invoice until payment is made.

COMPANY'S payment of an invoice shall not be construed as an acceptance of charges for GOODS supplied under the ORDER nor shall it be construed as a waiver of COMPANY'S rights under the ORDER.

Payment by COMPANY of SUPPLIER'S invoices or payment from SUPPLIER to COMPANY, shall be without prejudice to COMPANY'S rights subsequently to challenge the correctness thereof. The obligations under this Article shall remain binding notwithstanding the completion or cancellation of the ORDER.

14. QUALITY MANAGEMENT

SUPPLIER shall have a satisfactory quality assurance system appropriate for the nature of GOODS.

15. INFRINGEMENT OF PATENTS/PROPERTY RIGHTS

SUPPLIER shall indemnify COMPANY GROUP from claims resulting from infringement or alleged infringement of patents or other industrial property rights arising out of or relating to the supply of GOODS under the ORDER.

The obligations under this Article shall remain binding notwithstanding the completion or cancellation of the ORDER.

16. PROPRIETARY RIGHTS

Commercial and technical information, including drawings, documents and computer programs regardless of method of storage, and copies thereof, provided by COMPANY to SUPPLIER or vice versa shall be the property of COMPANY and SUPPLIER respectively.

17. CONFIDENTIALITY

All information exchanged between COMPANY and SUPPLIER shall be treated as confidential and shall not be disclosed to anyone other than SUPPLIER GROUP or COMPANY GROUP without the written permission of the other PARTY, unless such information:

- a) is already known to the PARTY in question at the time the information was received, or
- b) is or becomes part of the public domain other than through a fault of COMPANY GROUP or SUPPLIER GROUP, or
- c) is rightfully received from anyone other than SUPPLIER or COMPANY without an obligation of confidentiality towards SUPPLIER or COMPANY.

SUPPLIER shall not publish information concerning the ORDER without COMPANY'S written approval which shall not be unreasonably withheld.

Confidential information shall be treated in a secure manner, documentation shall be kept in locked files and electronically stored information shall be inaccessible to unauthorized persons.

The obligations under this Article shall remain binding notwithstanding the completion or cancellation of the ORDER.

18. AUDIT RIGHTS

COMPANY shall have the right at its own expense to inspect and audit any of SUPPLIER'S records in connection with the ORDER and all transactions related thereto as may be necessary in the opinion of COMPANY to verify that the requirements of the ORDER are being met and shall have access to all information as may reasonably be required to verify payments made to or by SUPPLIER under or pursuant to the ORDER. Such inspections and audits may be carried out by COMPANY or its authorised representatives at any time from the effective date of the ORDER until expiry of twenty-four (24) months calculated from the end of the calendar year in which the ORDER is completed or cancelled. COMPANY shall use its best endeavours to conduct any such inspections and audits in a manner which will result in a minimum of inconvenience to SUPPLIER.

SUPPLIER shall cooperate fully in the conduct of such inspections and audits and COMPANY shall have the right to reproduce and retain copies of any of the records. Any amounts found to have been overcharged by SUPPLIER shall be repayable to COMPANY. SUPPLIER shall include for itself identical rights of audit in all subcontracts and such rights shall be extendible for the benefit of COMPANY and its authorised representatives.

19. FORCE MAJEURE

A Force Majeure occurrence shall mean an occurrence beyond the control and without the fault or negligence of the PARTY affected and which by the exercise of reasonable diligence the said PARTY is unable to prevent or provide against.

In the event of a single incident or occurrence of Force Majeure lasting more than seven (7) days, COMPANY reserves the right to cancel the ORDER with immediate effect without this giving rise to any claim for compensation from SUPPLIER, other than for GOODS received at the time of such cancellation.

20. TAXATION

SUPPLIER shall be responsible for the payment of all taxes, duties and charges (and any penalties thereon) assessed or levied by any appropriate government authority in respect of profits earned or income received or receivable by reason of the ORDER and further undertakes that payment shall be made of all taxes, charges and duties (and any penalties thereof) assessed or levied by any member of SUPPLIER GROUP in connection with the ORDER.

SUPPLIER hereby indemnifies and undertakes to keep COMPANY GROUP indemnified from and against all claims, liabilities, demands, actions, costs and expenses whatsoever arising out of or in connection with any assessment or levy made in respect of all or any of the aforesaid taxes, charges, duties and penalties.

The obligations contained in this Article shall continue notwithstanding the completion or cancellation of the ORDER.

21. CODE OF CONDUCT

SUPPLIER is informed of and shall comply with COMPANY'S Code of Conduct as set out in <https://www.akerbp.com/om-oss/code-of-conduct/>

SUPPLIER shall immediately notify COMPANY of any breach of COMPANY'S Code of Conduct by any member of SUPPLIER GROUP.

SUPPLIER is informed that COMPANY'S Code of Conduct are applied with the highest order of priority and that any breach by the any member of SUPPLIER GROUP shall be grounds for immediate cancellation of the ORDER and any other contractual relationship with SUPPLIER without any liability towards SUPPLIER.

SUPPLIER shall indemnify and hold COMPANY GROUP harmless from any claim which may arise from breach of COMPANY'S Code of Conduct by any member of SUPPLIER GROUP.

22. NORWEGIAN LAW AND DISPUTES

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

Disputes arising relating to, or resulting from, the ORDER which are not resolved by mutual agreement shall be settled by court proceedings before Oslo District Court unless the PARTIES agree otherwise.

Pending the resolution of a dispute, SUPPLIER shall continue to adhere to the provisions of the ORDER.