

GMC MARITIME AS
STANDARD TERMS AND CONDITIONS FOR SALES AND PURCHASE OF GOODS AND SERVICES

1. TERMS

- 1.1. These standard terms and conditions for sales and purchase (the "Terms") shall be applicable to GMC Maritime AS' as supplier or buyer. The purchaser (hereinafter the "Buyer") purchase of goods and services from businesses who have accepted a Purchase Order from Buyer (hereinafter a "Supplier").
- 1.2. Buyer's order to a Supplier, including any attachments thereto, constitutes a "Purchase Order". By the acceptance of a Purchase Order, in writing or otherwise, the Supplier agrees to be bound by and comply with the Terms and any other terms and specifications etc., as set forth in the Purchase Order.
- 1.3. These Terms, and a Purchase Order (inclusive of its appendices), issued to and accepted by the Supplier, constitutes a "Contract" and the entire agreement between the Supplier and Buyer and supersedes all prior agreements and understandings relating to the procurement and delivery of the goods and/or services comprised by the relevant Purchase Order.

2. OBLIGATIONS OF THE SUPPLIER

- 2.1. The Supplier shall deliver all goods and/ or services in a diligent workmanlike manner in accordance with the Contract.
- 2.2. Goods shall be new, unused, free from any defects in design, material and workmanship, and fit for purpose, as specified in the relevant Purchase Order, or its normal use, if no purpose has been specified.

3. PRICES AND PAYMENT

- 3.1. Unless otherwise expressly specified in the Purchase Order, all prices stated therein shall be deemed to be: i) fixed and firm, ii) the sole compensation to the Supplier, iii) inclusive of all taxes, duty, and charges of any kind incurred by Supplier relative to the Purchase Order (except sales tax/ VAT), iv) exclusive of sales tax or VAT, which, if applicable, must be shown as a separate item on invoices, v) inclusive of packing/ protection and delivery to designated point as specified in the Purchase Order, and vi) paid in the currency denoted in the Purchase Order.
- 3.2. The Buyer shall effect payment within forty-five (45) days of receipt of a valid invoice complete with all necessary supporting documentation, provided that Supplier's obligations under the Contract has been fulfilled. Invoices must be marked with the Purchase Order number.
- 3.3. Payment for, or acceptance of, goods or services shall not be construed as a waiver of Buyer's rights, or acceptance of fulfilment of Supplier's contractual obligations.
- 3.4. The Buyer may withhold payment on disputed invoices until the dispute is resolved. The Buyer may deduct from payments due to Supplier any undisputed claim against Supplier.

4. TAXES

- 4.1. The Supplier shall be responsible for all taxes, duties, fees, import charges and the like incurred by the Supplier in connection with the provision of goods and services. The Supplier shall ensure full compliance with all tax requirements. The Buyer shall not be responsible for any cost resulting from the Supplier's failure to do so.

5. CHANGES TO THE WORK

- 5.1. The Buyer may change any part of a Purchase Order by written request to the Supplier, advising of the scope of change. The Supplier shall promptly advise, within seven (7) days to the Buyer in writing, of its reasonable effect on its delivery. The Supplier shall not proceed with any change unless such change has been authorised in writing by the Buyer. If such change causes a variation in price or delivery times, the Buyer and the Supplier shall mutually agree on its reasonable effect. The Buyer will issue

a change order to confirm the agreed changes for the Supplier to proceed with the change.

- 5.2. Failure of the Buyer to respond to Supplier's notice of change, as required herein, shall not entitle the Supplier to deem that the Buyer has accepted the change without any effect on the Purchase Order.

6. DELIVERY - DELAY - LIQUIDATED DAMAGES

- 6.1. The Supplier shall deliver the goods and/ or services on the delivery date(s), to the designated place(s), as denoted in the relevant Purchase Order. Unless otherwise specified in the Purchase Order, goods shall be delivered "DDP" according to Incoterms 2010, at Buyer's registered address. If the Supplier shall perform commissioning or installation services, delivery shall be deemed to have taken place when commissioning/ installation has been completed in accordance with the Contract.
- 6.2. Goods must be properly packed to withstand rough handling from the Supplier's point(s) of issue, and while in transit, stowage and storage, to final delivery to the Buyer to prevent damage to goods. Packing lists shall be included in each individual unit of packing.
- 6.3. The Supplier shall comply with all instructions given by the Buyer concerning marking of goods for shipment, method of dispatch and providing necessary documentation.
- 6.4. If at any time it appears that the Supplier will not meet its obligations in accordance with the due dates for delivery set out in a Purchase Order, the Supplier must immediately notify the Buyer. If Supplier's delivery is delayed, the Buyer may set a reasonable extended deadline for Supplier's performance. The Buyer may (without prejudice to any other right) instruct the Supplier, at Supplier's own cost, to take all reasonable steps to expedite the rate of progress including but not limited to subcontracting, additional shifts, overtime and supplying additional manpower and resources and equipment, as may be required. If the Supplier does not meet the extended deadline, the Buyer may terminate all or any part of a Purchase Order in accordance with the applicable provisions.
- 6.5. Notwithstanding Buyer's rights and remedies according to the Contract, the Buyer shall, in case of delays, be entitled to liquidated damages at a rate of 1 per cent per day of the total payment under the relevant Purchase Order. Buyer's right to liquidated damages shall be limited to 15 per cent of said payment.

7. TITLE AND RISK

- 7.1. Title to goods and services shall pass to the Buyer either i) progressively on delivery of goods to the delivery point denoted in the Purchase Order, or ii) upon payment (in whole or in part) if payment is made prior to delivery.
- 7.2. Notwithstanding transfer of title, risk of loss or damage shall remain with the Supplier until actual delivery, as denoted in the Purchase Order.
- 7.3. All materials or equipment to be incorporated into goods, and for which the Buyer already has title, or for which title has passed to the Buyer, shall be clearly marked as Buyer's property and where possible be stored separately.

8. QUALITY ASSURANCE, INSPECTION AND TESTING

- 8.1. The Buyer shall be entitled to inspect goods and services at delivery, or earlier at the Suppliers premises if so requested by the Buyer. The Buyer shall have the right to reject any part of the goods or services that is considered to be defective, or inferior in quality of materials, workmanship, or design and/ or otherwise not in accordance with the requirements set out in the Purchase Order.

GMC MARITIME AS
STANDARD TERMS AND CONDITIONS FOR SALES AND PURCHASE OF GOODS AND SERVICES

- 8.2. The Supplier shall provide, at its own expense, all quality related documentation, test certificates, inspection reports, test reports, and manuals for review and acceptance by the Buyer, as required by the relevant Purchase Order or by law.
- 8.3. The exercising of Buyer's rights under this article shall not relieve the Supplier of its obligations to comply with the Purchase Order requirements and contractual delivery date.
- 9. WARRANTY**
- 9.1. The Supplier warrants that:
- Goods and services shall conform to all requirements set out in the Purchase Order.
 - Goods and services will be fit for their intended purpose.
 - Goods and services will be free from defects.
 - It has good and valid title to all goods, and that goods shall be free from all liens, claims, and encumbrances.
- 9.2. The warranty period shall be the lesser of the following:
- Any period defined in the Purchase Order, or
 - 24 months from when goods/Supplier's performances are put into their intended service, or
 - 36 months from delivery
- 9.3. Replacement and/ or repairs of goods and services shall be subject to an additional period of 18 months from the date of replacement or repair.
- 9.4. The Buyer shall notify the Supplier as soon as reasonably practicable of any defects, and shall allow the Supplier to promptly inspect and remedy such defects. The Buyer may instruct the Supplier to correct the design, and/ or repair or replace defective deliveries. If the Supplier fails to promptly remedy the defects, the Buyer may correct defects at Supplier's cost. Correction of defects by the Supplier shall be without cost to the Buyer. The Supplier shall reimburse the Buyer all reasonable costs incurred by the Buyer in connection with the removal and reinstallation of defective goods, including associated transportation costs.
- 9.5. The Buyer shall be entitled to assign any rights and benefits of this article where applicable.
- 10. DEFAULT**
- 10.1. In the event of default by the Supplier in the performance of any of its obligations under a Purchase Order, the Buyer may give seven (7) days' notice to the Supplier to make good the default. Should the Supplier fail to comply with the notice or fail to agree alternative remedies with the Buyer, within the seven (7) days, the Buyer shall be at liberty to take reasonable actions to remedy the default at Supplier's cost. Buyer's right to default's shall be limited to 15 per cent of original PO/Contract value.
- 11. TERMINATION**
- 11.1. If the Supplier fails to remedy the default within the time limit stated in clause 10.1, or if the default is not capable of remedy, the Buyer shall have the right to terminate the Purchase Order, in part or whole, with immediate effect by serving notice to the Supplier.
- 11.2. The Buyer may, at its convenience, at any time, terminate any part of the works or services performed by the Supplier by giving notice to the Supplier, specifying the part(s) of the delivery to be terminated and the effective date of termination. Supplier shall continue to perform works or services which are not terminated to achieve delivery of any remaining goods or services.
- 11.3. In the event of termination pursuant to article 11.2, the Buyer and the Supplier shall mutually agree reasonable costs for Supplier's obligations satisfactorily carried out until the date of termination, calculated in accordance with the rates and prices specified in the Purchase Order. The Buyer shall not be liable for any of Supplier's anticipated costs, losses or loss of profit or business arising out of or in relation to termination in accordance with article 11.2.
- 11.4. The exercise by the Buyer of the rights of termination shall be without prejudice to other rights that the Buyer may have under the Contract or according to law. The Buyer shall have the right of reasonable access to enter Supplier's premises or any place where goods are situated and to take possession of part or whole of the goods and remove the same.
- 12. SUSPENSION**
- 12.1. The Buyer may at any time suspend all or part of the work relating to the procurement of goods or services, at Buyer's convenience. Upon receipt of a notice of suspension, the Supplier shall cease all activity relating to suspended work, but shall continue to proceed with works relating to unsuspended goods or services, if any. The Supplier shall take all actions necessary to maintain and safeguard suspended work. In the event of suspension, the parties shall confer and mutually agree as to the period by which the scheduled completion date is to be adjusted.
- 12.2. In the event of suspension pursuant to this article, the Supplier shall be entitled to be compensated for reasonable and documented costs incurred by the Supplier as a result of Buyer's suspension.
- 13. INDEMNITY**
- 13.1. The Supplier shall be responsible for and shall indemnify and hold harmless the Buyer Group (which for the purpose of the Contract shall mean Buyer, its client, its sub-contractors of any tier, its and their affiliates, respective directors, officers, employees (including agency personnel) but excluding the Supplier Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities howsoever arising, including by negligence or breach of duty (statutory or otherwise) of the Buyer, related to:
- Disease, injury, to or death of any person employed or provided by the Supplier Group;
 - Damage to or loss of Supplier Group's provided materials and/or equipment.
- 13.2. The Buyer shall be responsible for and shall indemnify and hold harmless the Supplier Group (which for the purpose of this Contract shall mean Supplier, its sub-contractors of any tier its and their affiliates, respective directors, officers, employees (including agency personnel) but excluding the Buyer Group) from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities howsoever arising, including by negligence or breach of duty (statutory or otherwise) of the Supplier, related to:
- Disease, injury to or death of any person employed or provided by the Company Group;
 - Damage to or loss of Company Group's provided materials and/ or equipment.
- 13.3. Each party shall bear its responsibility towards third parties according to applicable law.
- 13.4. Neither the Supplier nor the Buyer shall be liable for any loss of profit, loss of use, loss of production, loss of contract, or for any indirect or consequential damages whatsoever that may be suffered by the other party.
- 14. INSURANCE**
- 14.1. The Supplier shall maintain at his own expense all necessary insurances required for its procurement of the goods or services. All such insurances shall be placed with reputable insurers, and shall, for all insurances other than employer's liability insurance/ workman's compensation to the extent of the liabilities assumed by the Supplier under a Purchase Order, include the Buyer as additional assured. The Supplier shall ensure that its insurance company waives all rights of subrogation against the Buyer. Whenever requested by the Buyer, the Supplier shall provide an

GMC MARITIME AS
STANDARD TERMS AND CONDITIONS FOR SALES AND PURCHASE OF GOODS AND SERVICES

insurance certificate documenting that the relevant insurance requirements are fulfilled.

15. GUARANTEE

- 15.1. If the total payment under the relevant Purchase Order exceeds NOK 1 500 000 (or an amount equal to NOK 1 500 000, if denoted in another currency), the Supplier shall upon request provide a bank guarantee from a finance institution operating in Norway, or a company guarantee on terms approved by the Buyer, for the correct and timely performance of Supplier's obligations under the contract.
- 15.2. The guarantee shall correspond to Supplier's possible liability to pay liquidated damages, cf. article 6.5. The guarantee shall be valid and irrevocable until three months after the delivery dates set forth in the relevant Purchase Order. The guarantee shall be subject to Norwegian law and the Norwegian courts.
- 15.3. A copy of the guarantee shall be submitted to the Buyer within five – 5 - business days from the Supplier having accepted the relevant Purchase Order.

16. FORCE MAJEURE

- 16.1. Neither party shall be considered in breach of their obligations under the Purchase Order for reasons of force majeure, which shall mean an unforeseen occurrence beyond the control of the party affected and whose effect could not have been avoided and which cannot be overcome by the use of due diligence or foresight, including but not limited to fire, earthquake and civil commotion.
- 16.2. Upon the occurrence of such event, an affected party shall forthwith, but in any event within three (3) days, notify the other party of the reasons and effects of the delay caused by such force majeure circumstances. In the case of force majeure each party will bear its own costs arising from force majeure. If the force majeure continues for more than thirty days, the Buyer may terminate the Contract.

17. ASSIGNMENT AND SUBCONTRACTING

- 17.1. The Supplier shall not assign or transfer rights or obligations under the Contract to any third party or engage sub-contractors without Buyer's written consent. In the event of sub-ordering or assignment, Supplier shall not be relieved of any of his obligations under the Contract.
- 17.2. The Buyer shall be entitled to assign the Contract.

18. PATENTS AND PROPRIETARY RIGHTS

- 18.1. The Supplier shall at its own expense defend, indemnify and hold harmless and defend the Buyer from all claims, costs and litigation resulting from infringement of trademark, patent or registered design, or proprietary right.
- 18.2. Any inventions, discoveries or innovations that are based solely upon information or property of either party shall remain said party's property, and said party shall have and retain all right, title, and interests thereto.
- 18.3. Title to, access to, copyright, the right to possession of and free use of all things arising out of the provision of the goods and services shall vest in the Buyer immediately upon commencement of or creation of the article, document, or proprietary data. The Buyer shall have the sole right to seek patents on any item or idea arising out of the performance of the Contract and the Supplier shall assist the Buyer in registering such rights if so requested.
- 18.4. The Supplier shall grant the Buyer a transferable, non-exclusive, royalty-free, world-wide licence to use any patented process of the Supplier and any software programmes included in, or ancillary to, any goods or services supplied under the Contract.

19. NOTICES

- 19.1. Contractual notices shall be delivered to the names and addresses shown in the Purchase Order. Notices shall be given in writing, delivered in person, by mail, fax or email. The receiving party shall promptly confirm receipt of the same.

20. MISCELLANEOUS

- 20.1. The failure of the Buyer to claim any rights hereunder shall not be construed as a waiver of Buyer's present or future rights.
- 20.2. In addition to its rights under the Contract, the Buyer reserves any other rights and remedies which it may have against the Supplier according to law.
- 20.3. If any provision or portion of the Contract is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of applicable law, such provision or portion of the Contract shall be deemed to be omitted, and the remaining provisions and portions shall remain in full force and effect.
- 20.4. Any provision of this Contract that may reasonably be interpreted as surviving beyond the term of the Contract shall so survive beyond the expiration or termination of this Contract.
- 20.5. Buyer's right shall be limited to 15 per cent of original PO/Contract value.

21. CONFIDENTIALITY

- 21.1. The parties agree to keep the Contract confidential.
- 21.2. The Supplier shall that ensure its employees, subcontractors and agents keep confidential all matters and information provided by the Buyer that are not in the public domain concerning or arising out of the performance of the Contract.
- 21.3. Each of the parties may however use or disclose confidential information to a third party to the extent necessary for the performance of the Contract. In such cases each party shall ensure that the third party signs a written confidentiality agreement.

22. GOVERNING LAW AND DISPUTE RESOLUTION

- 22.1. Unless otherwise specified, the Contract shall be governed by and interpreted in accordance with the laws of Norway.
- 22.2. If any dispute or difference of any kind whatsoever arise between the parties in connection with the Contract, the parties shall attempt to settle the dispute amicably. Notwithstanding the existence or presence of any dispute, Supplier shall proceed diligently and expeditiously to complete its performances under the Contract.
- 22.3. Disputes which remain unresolved within one (1) month from the commencement of negotiations shall be settled by court proceedings unless the parties agree otherwise. Any court proceedings shall be brought before Stavanger District Court, Norway.

23. TOTAL LIABILITY UNDER THIS PO/CONTRACT

- 23.1. Buyer's total right's shall be limited to 15 per cent of original PO/Contract value.