

## **Conditions of hire**

### **1. DELIVERY**

The equipment for hire will be available from the date specified in the contract, hire will start from the same date. The custody & risk for the equipment will be transferred to the lessee from the equipment is released from the lessor's warehouse, or other point of release according to the contract. The lessee is accountable until it is returned after use to the lessor's warehouse or other agreed place.

Transport to and from the agreed storage place will be at the lessee's expense and risk.

If the lessee is to collect the equipment for hire and this has not been done within 5 days, the lessor will no longer be obliged to keep the equipment available and may annul the agreement with immediate effect after notifying the lessee.

The lessor is entitled to hire as stipulated in the contract for the period which has elapsed until the agreement is annulled.

### **2. PAYMENT OF HIRE**

The hire is invoiced once per month in arrears. Minimum rental period is 3 days unless other is stated in offer from lessor.

Shortening of a pre-agreed rental period may only be done with the lessor's permission. If such shortening of the rental period is accepted, a proportional increase in the daily rates must be calculated.

Lessee cover any assembly or dismantling of the equipment. Unless otherwise agreed, the hire will be calculated for 7 days per week.

If the order is cancelled after received order, lessee shall pay the cost accrued at the time of cancellation + 15%.

### **3. THE LESSOR'S OBLIGATIONS**

The equipment for hire shall be in full operational condition when delivered.

If the equipment for hire deviates from this agreement, the lessee must immediately notify the lessor who may then make a new delivery or correct the problem. If a significant defect is not corrected, the lessee is entitled to terminate the agreement. Termination of the agreement must be done in writing and the lessee is obliged to return the equipment at his own expense.

### **4. THE LESSEE'S USE OF THE HIRED MACHINE**

The lessee is obliged to carry out normal operational maintenance and to follow the maintenance and instructions for use provided by the lessor. He must therefore only use the specified operating equipment and utilities (e.g. fuel and lubricants). The hire does not include such equipment and utilities.

The lessee is also obliged to carry out and cover the cost of the necessary minor repairs and replacement of parts that would normally be replaced during operation.

The lessor is entitled to send an expert to instruct the lessee's machine operator. The cost of this must be covered by the lessee.

### **5. THE LESSEE'S LIABILITY AND RISK**

The lessee bears the risk for the hired equipment. He is responsible for all damage incurred to the equipment during the rental period. In the event of any damage, the lessor must be informed immediately regardless of blame or cause.

The lessee is obliged to return the equipment in the same condition it was in on delivery, with the exception of the deterioration due to normal use and age. Extraordinary deterioration must be corrected by the lessee.

### **6. INSURANCE**

Lessor will insure the hired equipment for transport insofar as such insurance can be taken out. If an insurance claim is made, the lessee must pay the excess. Third party insurance, machine breakdown insurance or any other insurance must be taken out by the lessee.

### **7. TERMINATION**

If the hired equipment is not treated properly, the lessor may terminate the agreement with immediate effect and collect the equipment at the lessee's expense. The same applies if the hire and any surcharge is not paid at the correct time or if there is any other default on the agreement.

If hire has been agreed without a pre-defined term, the agreement may be terminated by both parties with 14 days notice. If hire has been agreed per month, one weeks notice. If hire has been agreed per week or per day, one days notice.

### **8. RETURN**

The lessee is obliged to return the hired equipment to the lessor's warehouse at his own expense before the end of the rental period.

The lessor is entitled at the lessee's expense to carry out the final repairs necessary to return the equipment to the same condition it was in when delivered, cf. item 3.

### **9. ADDITIONAL EQUIPMENT**

The provisions in this agreement also apply to additional equipment, tools, etc. that might be delivered to the lessee without being particularly mentioned in this agreement.

### **10. DISCLAIMER**

The lessor assumes no responsibility that the hired equipment satisfies the lessee's needs.

The lessor disclaims any legal liability in connection with hire, injury to any person or damage to objects, regardless of whether this is due to technical failure or negligence by the lessor.

The lessor disclaims any liability for loss that might occur as a result of the rental agreement, regardless of blame or cause.

The lessee assumes full liability for any claim that may be raised against the lessor based on the rental agreement, either litigatory or by legal verdict. The lessee disclaims any right of recourse against the lessor.

### **11. DISPUTES**

Disputes shall be referred to arbitration in agreement with the Civil Dispute Act chapter 32. The arbitration shall take place in Stavanger.