

General conditions of purchase *Rev 30.04.2024*

1 DEFINITIONS

“Buyer” means OEG Offshore AS.

“Contract” means these general conditions and the agreement according to PO.

“Delivery” means material and the result of all work to be performed by Seller and all other actions like all goods, services and documents, necessary to fulfil his obligations in accordance with the Purchase Order.

“DNV” means Det Norske Veritas.

“Parties” means Seller and Buyer.

“Purchase Order”, hereinafter referred to as “PO”, means the signed agreement between Seller and Buyer.

“Seller” means the person, company or organisation to whom the PO is issued.

2 VALIDITY

2.1 These general conditions shall apply, unless varied by agreement in writing by both Parties.

2.2 Only written and signed PO are binding. Unless otherwise agreed, all PO must upon receipt be confirmed in writing and returned by the Seller within 7 days. Failure to do so gives Buyer the option of cancelling the order.

2.3 The Sellers confirmation of acceptance of these general conditions.

3 PRICES

3.1 All prices, sums and rates shall be firm and not subject to any escalation.

3.2 The prices, sums and rates shall be fully inclusive all costs, overhead, profit, customs etc. for the fulfilment of the Delivery.

3.3 All prices, sums and rates shall be exclusive of Value Added Tax (VAT).

4 THE DELIVERY

4.1 The Delivery shall be delivered at the agreed place of Delivery and within the stipulated time.

4.2 The Delivery is made when the Delivery according to this Contract is handed over at the agreed place of Delivery and accepted in writing by Buyer.

4.3 If the Delivery shall include installation work and/or tests to be carried out at Buyer’s premises according to Art. 10, the Delivery occurs when the installation work and/or tests have been completed according to the Contract and accepted in writing by Buyer.

5 GENERAL OBLIGATIONS OF SELLER

5.1 The Delivery shall comply with applicable laws, administrative rules/regulations and other rules/regulations.

5.2 The Delivery shall, take place according to DNV-standards and produced according to DNV- approved drawings.

5.3 Seller shall have a satisfactory system for quality assurance suitable for the Delivery and continually work to improve HSEQ in own and with its suppliers.

5.4 Buyer is at any time entitled to carry out and Seller shall assist in carrying out inspections of the Delivery and quality audits at Sellers’s or any subcontractors’ premises.

5.5 If Delivery has been agreed according to INCOTERMS, the version in force at the time the Contract was entered into shall apply.

5.6 Whenever requested by Buyer, Seller shall provide original insurance certificates as well as the conditions of any insurance policies he is obligated to provide according to the Contract.

6 INTELLECTUAL PROPERTY RIGHTS

6.1 Any and all intellectual property rights, hereunder but not limited to copyrights, patents etc., that exist on the hand of OEG Offshore AS and/or any and all intellectual property rights, hereunder but not limited to copyrights, patents etc. which may arise as a result of or in connection with this contractual relationship, shall be the sole property of OEG Offshore AS.

6.2 Seller shall not, without consent from Buyer, use received drawings, other technical documents or technical information to another purpose than the fulfilment of the Contract or copy/ reproduce received drawings, other technical documents or technical information.

6.3 Seller guarantees that the Delivery will not infringe any intellectual property rights, hereunder but not limited to copyrights, patents etc.

7 PAYMENT

7.1 Unless otherwise agreed, payment shall be made within 30 days following the end of the month during which delivery took place. However, payment shall in no event be due until 30 days after Buyers’s receipt of a correct invoice.

7.2 The Contract number and other agreed references shall be quoted on all invoices which shall also clearly indicate what the invoiced amount relates to. Buyer is entitled to return invoices that do not meet these requirements.

8 PROGRESS

8.1 If Seller should have cause to believe that he will be unable to meet the agreed Delivery date, he shall without undue delay notify Buyer in writing stating the reason for the delay, the effect on the agreed delivery date and furthermore include a proposal on how the delay can be minimised. Seller shall bear all costs incurred unless the delay is caused by buyer. Seller is liable for any losses suffered by Buyer.

9 BREACH OF CONTRACT

9.1 Delay

9.2 Seller is liable for delay according to this Contract. If the Delivery is not delivered at the agreed place of Delivery/ within the stipulated time or the Delivery has such defects that it is not suitable for its intended purpose, this shall be considered as delay.

9.3 Effects of delay

9.3.1 Unless otherwise agreed, liquidated damages shall accrue at a rate of 0,3 percent of the contract price per calendar day by which the agreed delivery date is delayed. Liquidated damages shall, however, not exceed 15 percent of the contract price.

9.3.2 Buyer may terminate the Contract with immediate effect upon any delay. If the Delivery is customised especially for Buyer, and Seller therefore is unable to dispose of the Delivery without incurring considerable losses, Buyer may only terminate the contract if the defect constitutes a substantial breach of the Contract. A substantial breach of the contract is considered always to have occurred when maximum liquidated damages have accrued.

9.4 Defects

9.4.1 Seller is liable for any defect in the Delivery.

Neither Buyer's inspections nor the fact that Seller has sent drawings, goods or samples for Buyer's inspection limits Seller's responsibility for ensuring that the Deliverables are in compliance with the contractual requirements.

9.4.2 Buyer shall inspect the Delivery within a reasonable time after delivery.

Buyer is under no obligation to inspect the Delivery prior to arrival at its permanent destination. If Seller shall carry out installation work the obligation to perform inspection does not arise until the Delivery has been accepted pursuant to Art. 6.3.

Buyer's obligation to perform inspection of the Delivery applies equally where Seller has performed rectification work.

9.4.3 Buyer shall issue a written notice of defect within reasonable time following discovery of any defect, and in no event later than 3 years after delivery. The same time limit applies in respect of any replaced or repaired parts., calculated from the time the replacement or repair took place. The time limit for making a notice of defect does not commence as long as rectification work or other activities necessary to comply with the contractual requirements are performed. Seller shall cover any and all costs related to the notice of defect.

9.5 Liability for defects

9.5.1 When Buyer notifies Seller of a defect, Seller shall remedy any and all defects immediately. The rectification work shall be postponed upon Buyer's request provided that Buyer has justified reason for requiring such postponement. Rectification work shall be performed for Seller's account.

If Seller fails to remedy the defect, immediately Buyer is entitled to remedy the defect himself or employ a third party to do so for Seller's risk and account. The same shall apply if awaiting Seller's remedy will cause substantial inconvenience to Buyer. In such event, Seller shall be notified as soon as possible to initiating of the rectification work.

9.5.2 If the Delivery contains defects that are not remedied immediately, Buyer shall be entitled to reduce the contract price accordingly or revoke the contract.

9.5.3 Buyer is entitled to claim compensation for any losses suffered due to defects.

9.5.4 Buyer is entitled to terminate the Contract if defects entail a substantial breach of Contract. In such event, Buyer is entitled to reject Seller's offer to remedy the defects and/or substitute the Deliverables.

9.6 Seller shall indemnify Buyer if the Deliverables constitute an infringement of third party patent rights or other intellectual property rights, except when this is a consequence of Buyer's specifications and Seller did not know or ought to have known that such an infringement would occur.

9.7 Buyer's non-fulfilment

Seller is not entitled to any damages for direct or indirect losses, such as additional expenses Seller incurs as a result of non-fulfilment on the part of the Buyer.

10 FORCE MAJEURE

10.1 Force majeure shall mean 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 or overcome it or its consequences.

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

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

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

11 CONFIDENTIALITY

11.1 All information exchange 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.

11.2 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, that the information is or becomes part of public domain other than through a fault of either parties, or is rightfully received from a third party in a rightful way without an obligation of confidentiality.

11.3 Information may also be disclosed to third parties to the extent necessary for execution of the Contract, provided, however, that the receiver of such information shall be bound by confidentiality similar to this art. 16.

12 ASSIGNATION OF THE CONTRACT

Buyer is entitled to assign his rights and obligations pursuant to the Contract, fully or partly, to any third party. Seller may not assign his rights and obligations pursuant to the Contract without Buyer's written consent.

13 APPLICABLE LAW AND LEGAL VENUE

13.1 The Contract shall be governed and construed in accordance with the laws of Norway.

13.2 The Parties agrees that Stavanger tingrett shall be the legal venue.