



## 1 General Provisions

- 1.1 Agreement means the separate contract documents, purchase order, order confirmation, these terms and conditions, and any appendices listed in the prior mentioned documents.

Affiliate(s) means the parent company of one of the parties to this Agreement, as well as any company that shares common control of at least 50% of the voting shares, or otherwise as described as a subsidiary by Section 1-3 of the Norwegian Limited Companies Act.

Company shall mean PG Flow Solutions AS, with subsidiaries.

End Client shall mean the Company's client or final client in the supply chain, such as ship operator, platform operator, IOC, EPC, or similar.

Supplier shall mean the counter party to the purchase order under which this Agreement is formed, and all Affiliates of such company. Where relevant, Supplier's sub-contractors shall also be bound by terms and conditions compliant with these terms and conditions.

Warranty Period shall mean a period of 24 months from the time of delivery by Supplier to the Company, or 12 months from the time of first use / commissioning to the End Client; whichever comes later.

## 2 GENERAL OBLIGATIONS OF THE SUPPLIER

- 2.1 All goods delivered under this Agreement shall be new, made from first class materials and workmanship and engineered to a standard of high quality. The goods shall be fit for merchantability, and fit for the intended purpose.
- 2.2 For all deliveries of goods and services under this Agreement, time shall be of the essence. If for any reason the Supplier believes delivery will be delayed, the Company shall be notified without undue delay. Supplier shall undertake all reasonable measures to avoid delays, and where delays are unavoidable to mitigate such delays.
- 2.3 The goods and services delivered under this Agreement shall be in compliance with all applicable laws and regulations, as well as industry standards, technical specifications, drawings, environmental requirements and any other standards of requirements as made known to the Supplier by either the Company or the End Client.
- 2.4 Supplier shall not subcontract any part of the work to be performed under this Agreement, unless such subcontracting has been consented to by the Company.

Such consent shall not relieve the Supplier of any obligations under the Agreement.

- 2.5 The goods to be supplied under this Agreement shall be insured for at least 110% of value by the Supplier at any stage where Supplier is under the duty of care for and/or holder of the title to the goods. Supplier shall provide originals of insurance certificates upon the request of the Company.

## 3 QUALITY, HEALTH, SAFETY, ENVIRONMENT, AND CORPORATE SOCIAL RESPONSIBILITY

- 3.1 The Supplier shall have implemented and documented a quality control system compliant with the ISO 9001 standard. The Company shall be entitled to make quality audits at any time, and the Supplier shall be obliged to assist in carrying out such audits. Supplier shall be responsible for ensuring similar compliance with all subcontracts used for the performance of work under this Agreement.

- 3.2 Supplier warrants that the Supplier, its officers, directors, employees, agents, representatives and subcontractors will not in the course of performance of the work under this Agreement:

(i) offer, promise, pay, give or authorize any financial or otherwise valuable consideration to any other person or entity with the intent to exert improper influence over the recipient, to induce the recipient to violate his duties, or to secure any form of improper advantage, or to improperly reward the recipient for any past conduct.

(ii) offer, promise, pay, give, authorize, request or receive an improper advantage, or accept an offer of such in connection with a position, office or assignment held by such person.

(iii) request, receive or accept, for the benefit of himself or any other person or organization any financial or otherwise valuable advantage as an inducement or reward for violating a duty of loyalty to the Company, the Supplier, or otherwise improperly perform a function that in any way relates to the performance of work under this Agreement, or in any way relates to the Supplier's relationship with the Company.

The Supplier shall at all times be in compliance with the UK Bribery Act 2010, the United States Foreign Corrupt Practices Act, and any other anti-corruption legislation relevant to the performance of this Agreement.



The Company may require at any time that the Supplier shall undertake a questionnaire to verify compliance with the above mentioned policies.

Violation of this article shall automatically be deemed a material breach of the terms and conditions of the Agreement, and the Company shall be entitled to terminate the Agreement with immediate effect.

The Supplier shall indemnify and hold harmless the Company for any violation of this article, which shall include all costs incurred by the Company including the reasonable legal fees incurred in a potential dispute.

- 3.3 The Supplier warrants that neither it, nor any of its owners, agents, representatives or subcontractors are on any sanctions lists, or otherwise controlled or influenced by any person or entity who is on a sanctions list.

Supplier shall also warrant that any person or entity as mentioned above is not resident or incorporated in any country or territory subject to sanctions.

Sanctions for the purposes of this Agreement shall include, but not be limited to, laws and regulations adopted by the United Nations, European Union, the United States of America or Norway directed at prohibiting or restricting trade or transactions with any country, territory, organization, government, or persons.

If the Supplier becomes aware of any possible violation of this article, the Company shall be notified of such violation immediately. Any violation of this article shall be automatically deemed a material breach of the terms and conditions of the Agreement, and the Company shall be entitled to terminate the Agreement with immediate effect.

#### **4 PROGRESS AND DELIVERY**

- 4.1 Ownership of the goods to be delivered under this Agreement shall become property of the Company as the completion of the work progresses.
- 4.2 Delivery of the goods shall only be deemed complete when the goods in full have been received by the Company in accordance with the delivery terms, all tests as agreed between the parties have been completed, and any services related to the delivery of commissioning of the goods have been performed.
- 4.3 The risk shall pass from the Supplier to the Company with the delivery of the goods in accordance with Article 4.2 of these terms and agreements, unless

otherwise is provided by the agreed INCOTERMS for delivery or the specific conditions of the Agreement.

- 4.4 The Supplier shall be responsible for the performance of all tests as required by the Agreement, whether such tests are to be performed at the Supplier's location, the Company's location, the End Client's location or at a third-party location. This includes ensuring the compliance with any laws and regulations regarding safety and working conditions at the site.
- 4.5 Such test shall be deemed complete when the Company has given written approval of the test results. Such written approval shall be given without undue delay.

If for any reason the test is not successful, the Supplier shall be responsible for correcting any defects discovered with utmost urgency, for its own cost and risk, unless the Company is the cause for such failure or defect.

Unless otherwise explicitly agreed, the purchase order price shall be deemed to include all costs associated with testing, including the extra costs incurred by re-testing if the original test is failed.

The Company and the End Client shall have a right, but not an obligation, to be present at any tests of the goods to be delivered under this Agreement.

- 4.6 The Supplier shall at its own expense provide and maintain personnel insurance which shall cover losses connected to illness, personal injury or accidental death of a member of the Supplier to the extent required by applicable laws.

The Supplier shall, unless otherwise agreed, provide a liability insurance with a minimum coverage of NOK 5 million per incident for damages caused on Company's or third-party's property or personnel in connection with installation work or testing at any location outside of the Supplier's location.

#### **5 VARIATIONS**

- 5.1 The Company shall be entitled to require variations to the goods and services to be delivered under this Agreement, as long as such variations are within the reasonable expectations for such a delivery at the time of execution of the Contract, including changes to the quality and quantity of goods.

When the Company submits such a variation, the Supplier shall without undue delay provide the Company with a written confirmation describing the



variation, and the impact on the cost and/or delivery time of the goods.

- 5.2 The Supplier shall be entitled to request a variation in writing without undue delay. Such a request shall include a description of the variation and any impact the variation may have on cost and/or delivery time of the goods.
- 5.3 Compensation for variation work shall be in accordance with the prices, rates and costs contained in the Agreement, and if not specified, in accordance with the general price level of the Agreement.
- 5.4 If a variation results in costs savings for the Supplier, the purchase price for the Agreement shall be adjusted accordingly to provide a cost saving for the Company.
- 5.5 If for any reason there is a dispute in regards to a variation, the Company shall be entitled to instruct the Supplier to implement the variation immediately, with the dispute to be resolved later in accordance with the Agreement's dispute resolution procedures.

In such case, the Company shall pay any amount that is not subject to dispute in accordance with the terms of the Agreement, and only the amount that remains in dispute may be withheld until the dispute resolution procedures have been exhausted.

## 6 SUSPENSION OF WORK

- 6.1 The Company shall be entitled to suspend the work to be performed under this Agreement for a period of up to 180 days.

The Supplier shall be entitled to payment that is already due at the time of suspension, as well as the reasonable costs of mobilization, demobilization and storage of the goods.

If after 180 days the work has not been resumed or cancelled, the Supplier shall be entitled to demand either resumption of work, or that the Company cancels the Agreement in accordance with these terms and conditions.

## 7 TERMINATION OF WORK

- 7.1 The Company shall be entitled to terminate this Agreement with immediate effect, upon written notice, if the Supplier has committed a material breach of the terms and conditions of the Agreement.

Upon such cancellation, the Company may either demand the Supplier to turn over the unfinished or finished goods, or demand repayment of all payments

made, upon which any goods received by the Company shall be returned to the Supplier without undue delay.

- 7.2 The Company may also terminate the Agreement for convenience.

Upon a termination for convenience, the Supplier shall be entitled to payment for all costs reasonably incurred, unless such costs can be mitigated or avoided by the Supplier.

The Supplier shall also be entitled to all costs reasonably incurred by demobilization, the orderly close out of the performance of the work and other costs that can be directly attributed to the cancellation, to the degree they cannot be mitigated or avoided.

The Supplier shall under no circumstances be entitled to compensation for any indirect costs, such as lost profits, lost volume sales or lost business opportunities.

## 8 BREACH OF CONTRACT

### 8.1 Liability for defects

The Supplier shall be liable for any defects discovered within the Warranty Period of the Agreement. Upon notification by the Company of a defect the Supplier shall commence rectification work without delay. All rectification work shall be performed for the Supplier's risk and cost.

The Supplier may only use a third-party for the rectification of a defect with the prior consent of the Company. If rectification work is to be performed by the Company on the Supplier's behalf, the work remains on the Supplier's risk and cost, as long as Company performs such work with reasonable diligence.

If the Supplier is unable or unwilling to perform such rectification work within a reasonable time, the Company shall be entitled to perform such work itself, or to hire a third party to perform such work on the Supplier's behalf.

The Supplier shall indemnify the Company for any costs suffered as a result of the delivery of defect goods. Such indemnity shall be limited to the direct costs suffered, unless the liability is a result of the gross negligence or willful misconduct by the Supplier or anyone acting on the Supplier's behalf.

### 8.2 Liability for delays



A delay exists when the delivery of goods, services or documentation fails to comply with the delivery dates set out in the Agreement, unless such delay is caused by the Company.

If goods, services or documentation has such defects that they cannot be used for their intended purpose the Company may elect to treat this as a delay until the Supplier has rectified such defect.

Unless otherwise agreed, a liquidated damages rate of 0.3% of the total purchase order price per day shall apply. The liquidated damages shall be capped at an amount of 15% of the total purchase order price.

If the delivery is delayed by a period sufficient to reach the maximum liquidated damages cap, the Company shall have the right to treat this as a material breach, and terminate the Agreement in accordance with Article 7.1.

If the delay is caused by the gross negligence or willful misconduct of the Supplier or someone acting on Supplier's behalf, the Company shall be entitled to claim damages for the actual losses suffered instead of the liquidated damages. Such damages shall not be subject to any limitation.

## **9 FORCE MAJEURE**

9.1 A force majeure event is any occurrence that is outside of the control of a Party, or entity acting on behalf of a Party (such as a subcontractor), which the Party could not reasonably have foreseen at the time of entering into this Agreement, and that the Party could not reasonably avoid or overcome.

A Party shall not be considered to be in breach of this Agreement for the duration of the force majeure event as long as this event remains the cause the Party is not able to fulfill its obligations.

However, each Party shall have a duty to mitigate the consequences of a force majeure event to the best of their abilities, including if necessary subcontracting the work to a third-party for completion.

A Party affected by a force majeure event shall have a duty to notify the other party without delay. Failure to notify the other party of such an event shall render the party liable for the direct costs that would have been avoided if proper notice was given.

If the force majeure event lasts for more than 60 days, or it is obvious from the circumstances that it will last for more than 60 days, the Company shall be entitled to cancel the Agreement. The Parties may agree upon

a delivery of the unfinished goods for completion by a third party.

## **10 PROPERTY RIGHTS**

10.1 No transfer of Intellectual Property Rights is contemplated under this Agreement, unless such intend is clearly agreed in writing between the Parties. All rights to technical documents, drawings, specifications and other information disclosed to the other party as part of the performance of the Agreement shall remain the ownership of the disclosing party, and the receiving party shall only have license to use this Intellectual Property to the degree necessary to complete its obligations under this Agreement.

10.2 If goods or services are performed specifically for the Company, they will become the Company's sole property as and when the performance progresses. Documentation, drawings, specifications, computer software and other items produced by the Supplier for this specific purpose becomes part of the goods and services to be delivered, and as such belongs to the Company.

10.3 Each Party shall treat as Confidential Information any information that is disclosed by the other party as part of the transaction under this Agreement. Such information shall not be disclosed to any third party other than as strictly necessary for the performance of this Agreement, or as required by applicable laws and regulations.

The Supplier shall not issue any press release or other public information that advertises that this Agreement has been entered into, without the express consent of the Company.

## **11 ASSIGNMENT**

The Supplier may not assign, transfer or novate its obligations and rights under this Agreement without the prior written consent of the Company.

The Company is entitled to fully assign its rights and obligations under this Agreement, fully or partly to any third party, on condition that such third party in writing warrants to the Supplier that it will honor all obligations as entered into in this Agreement.

## **12 LAW AND DISPUTE RESOLUTION**

This Agreement shall be governed and interpreted in accordance with Norwegian law.



If the Supplier is a company or person located in Norway, any dispute under this Agreement shall be resolved in a Norwegian district court (“tingrett”) in the Company’s municipality (“Asker & Bærum Tingrett”).

If the Supplier is a company or person located outside of Norway, any dispute under this Agreement shall be resolved by arbitration in the *Oslo Chamber of Commerce*, in accordance with the rules of the *International Chamber of Commerce*.