



Agreement for the supply of equipment and/ or services

1. General Terms & Conditions

Karsten Moholt AS (KM) has prepared its own terms and conditions for its deliveries to the Customer. To the degree a delivery encompasses machinery and other electro-mechanical equipment, the terms and conditions are based on NL 01. To the degree a delivery encompasses machinery and other electro-mechanical equipment with installation services, the terms and conditions are based on NLM 02. The NL 01/ NLM 02 terms and conditions apply with the changes and additions as shown in the terms and conditions below, together with offer and order confirmation.

2. Offers

An offer only commits KM up to the date of validity stated by KM in the offer. If no date of validity has been stated, the offer is open for acceptance for 15 days calculated from the date of offer.

3. Prices

All prices are subject to free and timely access for the work to be performed and timely delivery of required information from the Customer. KM reserves the right to charge all additional costs and adjust the delivery time due to lack of free and timely access and delay in delivery of information. The prices do not include labour or parts resulting from unforeseen electrical or mechanical defects, or defects that lie outside the parameters of the Diagnosis and therefore is only discovered later in the overhauling process. Prices shown in KM's price lists are excluding taxes and public charges, hereunder value added tax. KM reserves the right to adjust prices in connection with currency fluctuations and national wage settlements.

4. Invoicing

Diagnosis and storage of Customer Owned Equipment

All costs incurred for diagnosis/engineering or technical evaluation of equipment will be invoiced after 15 days. Thereafter costs for storage of customer owned equipment are invoiced in accordance with current stock cost, according to the terms of payment shown in paragraph 5. Terms of payment.

Work carried out at KM's workshops

Work carried out in our workshops is invoiced in accordance with hours worked, unless otherwise agreed. If the services are to be completed on a fixed price basis, KM reserves the right to charge for unforeseen electrical and mechanical faults. The additional time will be reported and invoiced in accordance with hours worked. If the services demand that overtime is worked, work in excess of 8 hours will be invoiced as overtime at plus 50 % for the first five hours and plus 100 % thereafter. Unless otherwise agreed KM will invoice based on the progress on the work order or according to agreed milestones. Ordered parts with a total purchase value of more than 100 000 NOK will be invoiced consecutively.

Testing

Unless otherwise specifically agreed, testing of an engine or generator means idle testing without load. KM has no liability for the condition of AVR when testing generators in KM's work shop. In order for KM to be able to test the generator's AVR, such test must be performed in the field with the possibility of variable loads.

Remote condition-monitoring and analysis services

Work related to planning, sensor installation and other start-up costs necessary for the provision of remote condition-monitoring and analysis services is invoiced in accordance with hours worked, unless otherwise agreed, subject to the same conditions regarding overtime, travel expenses etc. as other work under these General Terms. If the services are to be provided on a fixed-price basis including sensor delivery and installation, KM reserves the right to charge for any additional work necessitated by a lack of free and timely access, delay or fault in delivery of information, or unforeseen electrical or mechanical defects.

Unless otherwise agreed, sensors and other necessary equipment are invoiced in accordance with KM's price lists and become the Customer's property upon installation and full payment.

Remote condition-monitoring and analysis services are invoiced monthly, unless otherwise agreed. Unless otherwise agreed, Customer is entitled to sell or otherwise provide access to reports and other output from remote condition-monitoring and analysis services to Customer's customer. KM shall however under no circumstance be liable to Customer's customer for any loss whatsoever due to reliance on such reports or other output.

Where the remote condition-monitoring and analysis services are to be based on data supplied by sensors and equipment not installed by KM, KM has no liability whatsoever for any defects in the services to the extent they are caused by defects in the supplied data. The conditions of Clauses 7 and 8 also apply in full.

Agreements to supply remote condition-monitoring and analysis services have a fixed duration of 12 months, after which they are automatically renewed for a further 12 months unless notice of cancelation is given at least 30 days before the end of the current 12-month period.

Fieldwork

Offshore Domestic/Abroad

Work carried out offshore is invoiced in accordance with signed timesheets on a monthly basis. Work in excess of 12 hours will be invoiced at the overtime rate of plus 100 %. After 14 days, all domestic offshore work carried out will be invoiced at the overtime rate of plus 100 %. After 28 days, all offshore work carried out abroad will be invoiced at the overtime rate of plus 100 %. If day rates have been quoted for fieldwork, these are based on a standard offshore workday of 12 hours, and overtime will be invoiced in addition. The customer is invoiced every month in accordance with signed timesheets from previous month.



Onshore Norway

Work carried out onshore in Norway is invoiced in accordance with signed timesheets on the monthly basis. Work in excess of 8 hours will be invoiced as overtime at plus 50 % for the first five hours and plus 100 % thereafter.

If day rates have been quoted for fieldwork, these are based on a standard workday of 8 hours. Overtime will be invoiced in addition to the quoted day rate. Outside the County of Hordaland an an-out-of-town fee will be charged equal to a 20 % increase in hourly rates.

Onshore abroad

Work carried out onshore outside Norway is invoiced in accordance with signed timesheets on a monthly basis. Work in excess of 12 hours will be invoiced at the overtime rate of plus 100 % in addition to the agreed day rate. After 28 days, all onshore work carried out abroad will be invoiced at the overtime rate of plus 100 %. If day rates for work abroad have been quoted, these are based on a standard workday of 12 hours. Overtime will be invoiced in addition to the quoted day rate.

Free time after night work

For each hour worked after 22.00 one hour free time will be invoiced to compensate for free time.

Saturdays and Sundays/Public Holidays

For work carried out on Saturdays the first 5 hours are invoiced as 50 % overtime. Thereafter hours are invoiced as 100% overtime. For work carried out on Sundays and Public Holidays the invoiced rate will be 100 % overtime from commencement of work.

Travelling time

Travelling time is invoiced in accordance with signed timesheets. Up to 12 hours travelling time per 24-hours can be invoiced. Waiting time due to changes / delays / cancellations to/of airline flight departures, helicopter departures or in other forms of transport shall be invoiced as travelling time in connection with outward bound travel and as work hours in connection with return travel. Travelling time in connection with the performance of guarantee work in the field shall be invoiced according to signed timesheets.

Travelling expenses

Travelling expenses are invoiced in accordance with the Norwegian State Regulative plus an administration fee of 10 %. Disbursements in connection with travel shall be invoiced at cost in accordance with documentation plus an administration fee of 10 %. Travelling expenses in connection with the performance of guarantee work in the field shall be invoiced at cost in accordance with documentation plus an administration fee of 10 %.

Mob/demob

To the most common oil destinations in Norway (Bergen, Stavanger, Florø, Kristiansund, Brønnøysund and Hammerfest) the mob/demob rates will be used unless otherwise agreed. The mob/demob rates include mobilization from Storebotn 90 to check-in at heliport of the selected destination. Upon demobilization, the rates apply from check-out from heliport at selected destination to Storebotn 90.

The following are not included in the mob/demob rates and will consequently be invoiced per hour:

- Waiting time at the heliport after check-in.
- Waiting time on helicopter offshore.
- Travel time to and from the oil platform.

Cost and lodging for accommodation regarding mobilization or demobilization due to lack of correspondence between aircraft and helicopter is not covered by the mob/demob rates and will be invoiced at cost with an administration fee of 10%.

Delay and displacement

KM requires a 36-hour notice regarding any delays or displacements according to settled date of work. If the assignment is delayed, and our service technicians are set on standby, there will be invoiced a daily standby rate of NOK 2.500,- per service technician.

Emergencies/Contingencies

24- hour emergency/contingency mobilization is charged 10 000 NOK per person per incident.

Equipment /spare parts

Unless agreed otherwise 100% of costs for equipment / spare parts are invoiced to the customer once the equipment / spare parts have been delivered to the customer or to Karsten Moholt's premises.

5. Terms of payment

Invoices fall due for payment 15 days from the invoice date. After the due date interest on late payments is calculated at 1 % per month.

6. Delivery and passing of risk

The delivery of any equipment shall be in accordance with Incoterms® 2010 "EXW" unless otherwise agreed.

7. Receipt and liability for defects

KM provides a 12-month guarantee against faults and defects in work/ services carried out by itself in its workshops or in the field. No guarantee is given for temporary emergency repairs. KM shall have no liability for defects caused by circumstances of operation, including improper use and faulty maintenance. No guarantee is given or liability accepted for generators which after overhaul or repair are used in a setting that result in feeding of reactive power into the generator from the grid. The Customer shall bear all costs of transportation of personnel and equipment to and from any offshore site and board and lodging offshore. KM shall have no liability for any damage or loss caused as a consequence of defects in work/ services. In case of complaint, the customer must arrange for dismantling and shipment of equipment to KM's executive workshop. Customer must complete KM's root cause analysis form and submit this to KM when reporting a complaint.



The Customer has an obligation to carry out inspections of equipment on receipt and at the latest within one day from the receipt of the equipment. Complaints to KM concerning shortage of delivery, damage or loss to the delivery must be presented within one week from the date of receipt of the equipment. Otherwise the equipment delivered shall be deemed to be without any shortage, damage or loss when delivered.

8. Limitations and Exclusions of Liability

Equipment and personnel

The Customer shall fully indemnify, defend and hold KM and KM's subcontractors harmless from and against any claim, liability, losses and/ or damages concerning personal injury to or loss of life of any employee of the Customer, the Customer's customers and/ or subcontractors and loss of or damage to any property of the Customer, the Customer's customers and/ or subcontractors, arising out of or in connection with the services or caused by the equipment in its lifetime.

The Customer's indemnity obligation shall extend to apply generally for any loss of or damage to any object which KM shall perform services on regardless of formal ownership to the object, and to any other loss suffered by Customer's customer due to equipment or services supplied by KM. KM's maximum liability for any loss or damage to the object shall in any event be limited to NOK 1 million. These indemnity obligations apply regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of KM and its subcontractors.

Pollution

To the extent services are performed on or related to equipment and/ or object to be used on an offshore location, the Customer shall fully indemnify, defend and hold harmless KM and its subcontractors from and against all claims and losses which arise out of or in any way related directly and/ or indirectly to the performance of the services or is caused by the services or the equipment/ and or object in its lifetime and resulting from:

- pollution, whether originating under ground of from the facility where the services are performed or equipment/ object is used.
- fire explosion or blow-out of any well or reservoir.
- escape of product from any facility, including pipeline or other subsea or surface facility.

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of KM and its subcontractors.

Delay

KM's maximum liability for delays shall always be limited to maximum 5 % of the (estimated) original contract value. This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of KM and its subcontractors.

Consequential losses

Neither party shall be liable to the other for any consequential losses whatsoever arising out of or in connection with the performance or non-performance of this agreement. Neither party shall be liable towards the other for loss of production, loss of profits, loss of use, loss of contracts, whether foreseeable at the date of the order confirmation and/ or resulting in direct or indirect losses whatsoever and howsoever caused. This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of either party.

Total liability

The maximum overall liability of KM under this contract, including liability for delays and defects, and regardless of whether the contract is terminated or not, shall be limited to the lowest of NOK 2 million or 25 % of the (estimated) original contract value. This limitation applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of KM and its subcontractors. Except as specifically stated in the terms and conditions, all other remedies and liabilities under this contract, at law or otherwise, are excluded.

9. Cancellation by the Customer.

If the Customer cancels the contract, KM will charge the Customer all costs incurred in relation to the contract or the assignment plus 10 % of the (estimated) original contract value.

10. Applicable law and disputes.

The contract shall be governed by Norwegian law, and all disputes arising out of or in connection with the contract shall be subject to court proceedings with Bergen tingrett as venue.