

BERTEL O. STEEN POWER SOLUTIONS AS
GENERAL TERMS AND CONDITIONS FOR SERVICE WORKS

1. INTRODUCTION

1.1 These General Terms and Conditions for Service Works (the "Conditions") shall, unless otherwise agreed in writing, apply to all service work performed in the field ("Service Work") by any authorized member, agent or representative of Bertel O. Steen Power Solutions AS or its subsidiaries (the "Supplier") to a customer (the "Buyer") (the Supplier and the Buyer together defined as the "Parties" and individually as a "Party"). Supplier's offers are non-binding until accepted by Buyer and confirmed by Supplier (the "Order"). The "Contract" thus consists of the following documents:

- a) the confirmed Order
- b) these Conditions
- c) the appendices (Specification) indicated in the confirmed Order.

1.2 In the event of any conflict between the provisions of the contract documents listed above, they shall apply in the same order of priority as above listed.

1.3 Clause 14 of these Conditions applies only to Service Work to be performed on maritime and offshore units (e.g. vessels, rigs, cranes etc).

1.4 Buyer may not change or cancel any purchase order after it has been received by Supplier unless Supplier has agreed in writing to such change or cancellation.

2. PERFORMANCE AND ACCEPTANCE OF WORK

2.1 Buyer shall be deemed to have accepted the Service Work performed by Supplier as being in accordance with the Contract unless Buyer has notified Supplier of any non-conformity within three (3) days following the last day on which the Service Work was performed. Any date or period for completion stipulated or quoted shall be deemed to be an estimate only, and there shall be no express or implied time limit in dispatching or completing any Service Work.

2.2 If Buyer anticipates that the Service Work cannot be commenced as agreed in the Contract due to reasons attributable to Buyer, Buyer shall notify Supplier in writing stating the reason and the time when Buyer anticipates that the Service Work could commence. Supplier may by notice require Buyer to set a final reasonable time for when the Service Work should commence. Any additional costs related to such delay shall be borne by Buyer as per clause 6.2.

2.3 Supplier has a right to suspend the performance of its obligations under the Contract if it is reasonably clear from the circumstances that Buyer will not be able to perform its obligations as stated in the Contract.

2.4 The Buyer is responsible for the cost and arranging of any trails or tests required by Buyer to verify the completion of any Service Work or warranty work. If the required test or trail is not possible to carry out

immediately following Supplier's completion of its Service Work or warranty work, the Supplier shall have no further liability and the Service Work or warranty work shall be deemed as fully accepted by the Buyer.

3. COMPENSATION, PAYMENT AND OWNERSHIP

3.1 The Contract's price is based on the Service Work performed during normal working hours, unless otherwise is agreed or clearly assumed. Time sheets for either week shall be provided thereafter by Supplier to Buyer and shall be promptly checked and attested by Buyer no later than within four (4) days from receipt, failing which the time sheets shall be deemed attested by Buyer. The time sheets provided by Supplier shall be deemed to be evidence of the working hours invoiced by Supplier. Hourly rates, overtime rates and daily allowances shall be as specified in Supplier's standard rates then in effect (such rates are subject to change from time to time). Buyer will be charged a daily allowance for each of Supplier's personnel based on the number of working days from the date of departure of such personnel until their return. Unless otherwise agreed in writing, a normal working week is comprised of thirty seven and a half (37.5) hours; seven and a half (7.5) hours per working day, spread over five (5) working days. Local holidays shall be observed. Unless otherwise agreed, any Service Work done outside normal working hours shall be charged to Buyer as overtime. Any waiting and/or stand-by time for which Supplier is not responsible shall be charged to Buyer as normal working time. Time spent by Supplier's personnel travelling to and from Supplier's office, the work site and Buyer-provided lodging shall be for Buyer's account. The daily remuneration and allowances shall be payable during incapacity caused by sickness of or accident to any of Supplier's personnel if caused by failure of Buyer to maintain safety in the work site environment.

3.2 All travel expenses, plus ten percent (10%) handling cost, incurred in connection with the Contract shall be for the account of Buyer. Travel expenses include: (a) fares for journey by rail, sea, air, car and/or bus; (b) carriage, freight and customs duties as well as insurance due in connection with personal effects, instruments and tools required for the Service Work, including necessary costs for overweight on air freight; and (c) all out-of-pocket expenses incurred by Supplier for the performance of Service Work, such as internet use, facsimile and telephone calls.

3.3 In the event of any illness or accident affecting any of Supplier's personnel, whether during the performance of Service Work or otherwise, necessitating medical attention or hospital treatment, Buyer shall ensure that the best and appropriate medical facilities and medications are made available to Supplier's personnel. If it is necessary to repatriate an ill, injured or deceased member of Supplier's personnel, Buyer shall assist Supplier in arranging for such repatriation in the

safest and most expedient manner. All costs incurred under this clause 3.3 shall be borne by Supplier.

- 3.4 Unless otherwise agreed, payment of the contract price set out in the confirmed Order shall be made prior to Supplier dispatching any personnel or materials for the Service Work. If, Service Work is agreed to be performed on a cost-plus basis, the Buyer shall prior to Supplier dispatching any personnel or materials, pay a lump sum equal to the estimated total Contract price, and thereafter payment is made in accordance with submitted invoices within twenty (20) days following the date of the invoice. Any lump sum paid will be deducted from the final invoice issued by the Supplier or credited in the event the lump sum exceeds the actual contract price after completion of the Service Work. Invoices may be sent electronically as PDF-attachments to e-mail.
- 3.5 Payment shall be made in full without any set off, counterclaim or deduction. Buyer shall pay interest on overdue payments from the maturity date until the actual date of payment at the rate of twelve percent (12%) per annum. Buyer shall pay Supplier all costs related to the collection of overdue amounts, including reasonable attorneys' fees. In case of any late payment, the Supplier shall be entitled to suspend his performance of the Contract until full payment including interest is received. If the delay of full payment continues for more than two months, Supplier may terminate the Contract by written notice to Buyer and claim compensation for the loss he has incurred. The remedies shall not be exclusive of Supplier's additional rights under contract or law. Title to any part, material, equipment, supplies, consumables or replacement and any other items furnished, provided or supplied by Supplier in performance of the Service Work shall pass to Buyer only when payment in full has been received by Supplier. Supplier may as a precondition for the performance of the Service Work, request that Buyer provides Supplier with security covering the payment obligations of the Buyer.
- 3.6 Any assistance or work performed by Supplier outside the scope of Contract shall be charged as extra work in accordance with Supplier's standard rates then in effect and with these Conditions.
- 3.7 Supplier's liability is limited to Service Work performed on products delivered by Supplier. If the Buyer has requested Supplier to perform Service Work on other parts or products, it is acknowledged and agreed that Supplier shall have no liability for the performance of such Service Work or consequences thereof (including no Warranty as per clause 4 below), and the Buyer shall indemnify and keep Supplier harmless from and against any third party claims arising out of or in connection with such Service Work. The above shall apply regardless of any form of liability, unless it can be documented that Buyer has incurred a cost or loss as a direct result of gross negligence or wilful misconduct by members of the senior management of Supplier.

4. WARRANTY

- 4.1 Supplier shall repair or re-perform, in whole or in part, at its sole discretion, any defective Service Work which appears during the warranty period and which is due to poor workmanship from the Supplier's personnel or defects in parts delivered by the Supplier which are a result of defective material or manufacturing. Buyer shall immediately take appropriate steps to prevent any defect from becoming more serious, and all warranty claims with respect to this warranty shall be made in writing during the warranty period without delay and not later than fourteen (14) days after Buyer discovered or ought to have discovered such defect, for defects to parts that are obvious or identifiable by straightforward inspection must be reported in

writing within three (3) days of receipt by the Buyer of the parts supplied and otherwise immediately on discovery. Buyer shall have the responsibility to establish that its claim is covered by this warranty. Replaced parts shall become Supplier's property and upon Supplier's request, be returned at Supplier's cost. Delivery of repairs or re-performance under this warranty will be made in accordance with the original Contract delivery terms.

- 4.2 The warranty period for the Service Work begins on the last day on which the Service Work was performed and ends six (6) months from the last day of performance of the applicable Service Work. The warranty period in respect of Service Work which has been re-performed under the warranty shall expire three (3) months following the last day on which the Service Work was re-performed under the warranty but in no event longer than twelve (12) months from the date of installation under the original Service Work. The warranty for re-performed Service Work shall be subject to the same terms, conditions and limitations of liability, as those applicable to the originally-performed Service Work. Under no circumstances shall the warranty period of any Service Work (whether original or re-performed) extend beyond the date that is nine (9) months following the date of commencement of the original warranty period as stipulated in the first sentence of this clause 4.2.
- 4.3 Supplier shall not be liable for any defect due to or arising in connection with: (1) any materials, components, tools, designs or software provided by Buyer; (2) normal wear and tear; (3) improper handling or defects caused or aggravated by omission or improper use, maintenance, storage or installation by the Buyer, its servants or agents, including inadequate corrosion protection, the use of force, chemical, electrical or other damaging influences; (4) parts, accessories or attachments other than those supplied by Supplier in the course of performance of the Service Work and always if the repaired/installed item is modified by the installation or mounting of parts not supplied by Supplier, unless the Buyer can prove to Supplier's satisfaction that the deficiency did not result from such modification; (5) installation or alterations carried out by Buyer; (6) use of unsuitable material or consumables by Buyer; (7) any use, service or operation of any equipment, parts or components upon which Service Work was performed which is not in conformity with manuals, instructions or specifications provided by Supplier or which is otherwise not in accordance with normal industry practice; (8) any use of the installed/repaired item for purposes other than those agreed upon; or (9) any use of the installed/repaired item under unusual conditions of which Supplier had not been informed of in writing when the Order was placed.
- 4.4 The Supplier shall have the right and duty to rectify the defective Service Work. The rectification work shall at the Supplier's request be carried out at the Buyer's premises, the Supplier's or subcontractors' premises, or in a workshop or yard recommended by the Supplier. The time for remedial work shall be chosen in order not to interfere unnecessarily with the Buyer's activities.
- 4.5 The Buyer is responsible for giving the Supplier access to perform the rectification work and arrange for any intervention in equipment other than the parts on which re-performance shall be made. Access works include, but are not limited to, the taking out/insertion of the parts on which re-performance shall be made ("Access Works").
- 4.6 If the Buyer wants the Supplier to undertake Access Works, the work shall be undertaken at the risk and expense of the Buyer, c.f clause 3.6. This implies *inter alia* that the access costs shall be the Buyer's

- responsibility, and be reimbursed to the Supplier from the Buyer when applicable. Access costs include but are not limited to the cost of the dismantling/ installation of parts, equipment and attachments etc that are not part of products delivered by the Supplier, and any crantage, electricity and scaffolding costs and any personnel cost for other persons than personnel of the Supplier.
- 4.7 Supplier shall only pay the cost of its service personnel re-performing the Service Work or part thereof, as well as any parts replaced or repaired which was part of the original Service Work, all other costs, in particular transportation and shipping costs, shall be payable by the Buyer, as well as all expenses for the Supplier's personnel relating to transport, travel, subsistence allowances, travelling time and other similar costs if the re-performance is not made at the Supplier's premises.
- 4.8 If after Supplier's warranty investigation it is found that Buyer does not have a warranty claim within the scope of these Conditions, then Buyer shall be responsible for all applicable costs and expenses for such inspection, repaired or replaced parts or other service work.
- 4.9 Clause 4 sets forth the only warranty applicable to the Service Work and is in lieu of any other warranties, guarantees, obligations and liabilities express or implied including warranties, guarantees, obligations or liabilities against non-conformity or defects. Buyer hereby waives all other remedies, warranties, guarantees and liabilities, express or implied, arising by law or otherwise (including without limitation fitness for purpose, merchantability or satisfactory quality).
- 5. SUPPLIER'S LIABILITY**
- 5.1 In no event, whether as a result of breach of contract, breach of warranty, tort liability (including negligence or strict liability), or otherwise, shall the Supplier be liable for any indirect, contingent, special, consequential or incidental damages ("Indirect Losses"), however caused or arising (whether actual or anticipated) nor for losses or damages (whether actual or anticipated). Indirect Losses include but are not limited to loss of earnings, loss of data, loss of profits, loss of use, loss of savings, loss of reputation, cost of capital or any claims of the Buyer's customers damages, the cost of substituted equipment, pollution remediation costs, damage to any equipment or property other than the equipment, components and parts on which Service Work was performed hereunder, costs for any additional tests debris removal or for loss of time or use of any equipment, installation system, operation or service.
- 5.2 Notwithstanding any other provision of the Contract, in no event shall the Supplier's aggregate liability to Buyer under this Contract, whether in contract, tort (including negligence or strict liability) or any other legal theory or equity, exceed twenty per cent (20%) of the contract price actually paid for the Service Work (excluding the payment for any products, materials, spare parts or consumables).
- 5.3 Supplier shall not be liable for any work carried out by Buyer or by any third party, even though carried out with assistance of Supplier's personnel. Buyer shall bear the risk of loss of its equipment and other goods in connection with the Service Work, even if such equipment or goods are in facilities used by Supplier.
- 6. FORCE MAJEURE AND OTHER EXCUSABLE DELAYS**
- 6.1 Either Party shall be entitled to suspend performance of his obligations under the Contract to the extent that such performance is impeded or made unreasonably onerous by an event of force majeure ("Force Majeure"), which includes without limitation acts of God, wars whether declared or not, any events involving armaments of war, civil wars and riots, hostilities, public disorder, acts of terrorism and severe threat of terrorism, any measures taken by public authorities in connection with threat of terrorism, embargos, acts of civil or military authorities, fire, flood, accidents, strikes, failure of a subcontractor or sub-supplier to provide manpower, materials or goods caused by an event that qualifies under this clause 6.1, epidemics, or unusually severe weather affecting either Party.
- 6.2 If the Service Work cannot be commenced as agreed due to reasons attributable to Buyer or is interrupted by Force Majeure or for other reasons not attributable to Supplier, the costs for maintaining personnel at or near the work site (including, without limitation, wages and lodging) will be borne by Buyer. If the interruption continues for more than one (1) week, Supplier's personnel may be repatriated. All expenses in relation to such withdrawal and/or subsequent return shall be borne by Buyer. If the period of suspension exceeds two (2) months, either Party may terminate the Contract by three (3) days' written notice to the other Party without prejudice to the rights of either Party up to the date of termination. All reasonable additional costs incurred by Supplier as a consequence of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by Buyer.
- 7. BUYER'S ADDITIONAL PERFORMANCE OBLIGATIONS**
- 7.1 Buyer shall comply with all laws, rules and regulations applicable at the work site, arising out of the performance of the Service Work. Buyer shall provide at no cost to Supplier all of the following facilities and services which must be of sufficient quality and/or quantity for Supplier's performance of the Service Work, unless otherwise agreed to in writing by the parties:
- 7.2 Ancillary manpower equipped with appropriate tools (such as drills and hand lamps), heavy duty hoisting and transport facilities along with the necessary fuel, lubricants, water, electricity, compressed air and cleaning facilities for Supplier's performance of the Service Work;
- 7.3 Heated and/or air-conditioned facilities for working, lodging of Supplier's personnel in close proximity to the work site with such adequate facilities as is necessary for the performance of the Service Work and of a good operating standard;
- 7.4 Assistance requested by Supplier with the customs formalities required for the import and export of Supplier's equipment and tools, free of all duties and taxes;
- 7.5 Assistance to ensure that Supplier's personnel obtain visas and any other official entry, exit, residence or working permits that may be required by the country of the work site including free ingress to and egress from the work site;
- 7.6 Information concerning: (i) the local laws and regulations applicable to the Service Work; and (ii) any dangerous conditions or unusual risks that may be encountered in Buyer's country, at the work site or in the use of any equipment or tools provided by Buyer; and
- 7.7 Additional safety measures reasonably requested by Supplier. In the event Buyer is unable or unwilling to provide any such facility or service, Supplier may, at its option, terminate the Contract without liability to Buyer or itself provide such facility or service for the account of Buyer.

8. ENVIRONMENTAL, HEALTH AND SAFETY

- 8.1 Buyer shall maintain safe working conditions at the work site, including, without limitation, implementing appropriate procedures regarding arsenic, asbestos, lead or any other waste material or hazardous substances as defined by any legislation or international convention relevant or applicable to the Service Work provided ("Hazardous Materials") and confined space entry affixing labels or plates containing warnings and/or safety and operation procedures and instructions as required by applicable laws and regulations.
- 8.2 Buyer shall timely advise Supplier in writing of all health, safety, security and environmental requirements procedures and instructions applicable at the work site or in or around the Buyer's unit (e.g. vessel, rig, crane etc as applicable) or facilities or other equipment that Supplier may encounter while performing under this Contract.
- 8.3 If, in Supplier's reasonable opinion, the health, safety, or security of personnel or the work site is, or is apt to be, imperilled by security risks, terrorist acts or threats, the presence of or threat of exposure to Hazardous Materials or unsafe working conditions, Supplier and his representatives have the same responsibility and authority as Buyer to stop the Service Work. Supplier may, in addition to other rights or remedies available to it, evacuate some or all of its personnel from the work site, suspend performance of all or any part of the Contract, and/or remotely perform or supervise the Service Work. Any such occurrence shall be considered an excusable event without any liability to Supplier. Buyer shall reasonably assist in any such evacuation.
- 8.4 Operation of Buyer's equipment is the responsibility of Buyer.
- 8.5 Buyer will make its medical facilities and resources at the work site available to Supplier's personnel who need medical attention. If there are no medical facilities or resources available, the Buyer will assist in bringing Supplier's personnel requiring medical attention to the nearest available medical facility.
- 8.6 Supplier shall notify Buyer if Supplier becomes aware of: (i) conditions at the work site differing materially from those disclosed by Buyer; or (ii) previously unknown physical conditions at work site differing materially from those ordinarily encountered and generally recognized as inherent in-Service Work of the character provided for in the Contract. If any such conditions cause an increase in Supplier's cost of, or the time required for, performance of any part of the Service Work under the Contract, an equitable adjustment in price and schedule shall be made.
- 8.7 If Supplier encounters Hazardous Materials in Buyer's equipment or at the work site that require special handling or disposal, Supplier is not obligated to continue Service Work affected by the hazardous conditions. In such an event, Buyer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that Supplier's Service Work under the Contract may safely proceed, and Supplier shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in Supplier's cost of, or time required for, performance of any part of the Service Work. Buyer shall properly store, transport and dispose of all Hazardous Materials introduced, produced or generated in the course of Supplier's Service Work at the work site. The Buyer shall be responsible for all costs and expenses related to the management, handling, clean-up, removal and/or disposal of all Hazardous Materials and/or contaminated substances, elements or waste of any kind as defined by applicable laws and regulations or applicable to the Service Work supplied.
- 8.8 Buyer shall indemnify Supplier for any and all claims,

damages, losses, fines, penalties and expenses arising out of or relating to any unsafe working conditions, hazardous conditions, Hazardous Materials and/or contaminated substances, elements or waste of any kind that are restricted by applicable laws or regulations which are or were: (i) present in or about Buyer's equipment or the work site prior to the commencement of Supplier's Service Work; (ii) improperly handled or disposed of by Buyer or Buyer's employees, agents, contractors or subcontractors; or (iii) brought, generated, produced or released on the work site by parties other than Supplier.

9. PRICES, TAXES AND DUTIES

- 9.1 All prices are exclusive of sales, use, import, value added (VAT), or similar taxes and duties, whether imposed currently or in the future. Such taxes shall be borne by the Buyer in addition to the prices quoted or invoiced. In the event the Supplier is required to pay any such taxes, the Buyer shall reimburse Supplier those taxes unless the Buyer presents an exemption certificate acceptable to the Supplier and the applicable taxing authorities.
- 9.2 If any taxes or charges are required to be withheld from amounts paid or payable to the Supplier under the Contract: (i) such withholding amount will not be deducted from the amounts due the Supplier as originally priced; (ii) Buyer will pay the taxes on behalf of the Supplier to the relevant taxing authorities in accordance with applicable law, and (iii) Buyer will forward to the Supplier within 60 days of payment proof of taxes paid sufficient to establish the withholding amount and the recipient.

10. EXPORT CONTROLS AND TRADE SANCTIONS

- 10.1 The Parties agree that the Service Work shall be provided subject to all applicable export controls, sanctions or restrictions imposed on services by any country or organization or nation which are enforceable in the jurisdiction of the Supplier, its affiliates or parent company, including Supplier's country, the United Nations, the European Union and the United States of America. Buyer acknowledges that the Service Work and all related technical information, documents and materials may not be imported or exported, re-exported, transhipped, traded, diverted or transferred, directly or indirectly, contrary to such controls, sanctions or restrictions.
- 10.2 Upon request by Supplier, Buyer shall furnish Supplier with all the relevant certificates relating to export control laws, regulations, sanctions and restrictions.
- 10.3 Supplier has no liability resulting from any delay, cancellation or amendment of the Service Work resulting from export controls, sanctions or other applicable restrictive measures.

11. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

- 11.1 Confidential Information shall mean all information of any kind or nature (whether written, oral, electronic or in any other form) which is not in the public domain, including, without limitation, the contents of this Contract, any financial information, trade secrets, customer lists or other information, which a Party may receive or obtain from time to time as a result of entering into or performing its obligations pursuant to this Contract, relating to the other Party. Each Party undertakes to not disclose, in whole or in part, any Confidential Information unless (i) required to do so by law or by any court of competent jurisdiction, in any lawful and compelling enquiry by any governmental, official or regulatory body; (ii) the other Party has given its prior written consent to such disclosure (such consent not to be

unreasonably withheld or delayed); (ii) according to applicable stock exchange rules or (iv) such disclosure is to its professional advisers who are bound to such Party by a duty of confidence similar to that set out in this Contract. If a Party is required under any of the circumstances referred to in (i) or (iii) above to disclose any Confidential Information, the disclosing Party shall, to the extent legally permissible, use its reasonable endeavours to consult with the other Party prior to any such disclosure.

- 11.2 Neither Party shall copy or disclose to a third party any document or data provided by the other Party without the prior written consent of the other Party or use them for purposes other than those for which they were provided. Intellectual property rights associated with the Service Work or any document or data provided by Supplier in connection therewith shall remain Supplier's property. Buyer shall defend, indemnify and hold harmless Supplier against all claims, losses and damages, including reasonable attorneys' fees, arising out any breach of contract by the Buyer, the Buyer's employees, agents, contractors or subcontractors, resulting in any reuse, modification, reproduction or publication of Supplier's intellectual property documents or data. To the extent there is a conflict between the foregoing provisions regarding confidentiality and intellectual property and any terms or conditions of any software license agreement, the terms and conditions of such software license agreement shall prevail.

12. INSURANCE

- 12.1 Each Party shall at its own cost provide for and maintain comprehensive insurance coverage to protect its own property and personnel. Each Party shall obtain a waiver of all rights of recourse and subrogation against the other Party from its insurers as well as indemnify and hold the other Party harmless for all claims of or by either of the Parties' insurers.

13. DISPUTES AND GOVERNING LAW

- 13.1 The Contract shall be governed by Norwegian law and all disputes arising in connection with the Contract shall be finally settled by arbitration in Bergen and pursuant to the Rules of the Arbitration and Dispute Resolution Institute of the Oslo Chamber of Commerce in force at any time. The arbitration proceedings shall be in the English language if the Buyer is not a Norwegian registered company.

14. MARITIME SERVICE WORK

- 14.1 The following additions shall apply to the these Conditions if Service Work is to be performed on a maritime unit (e.g. vessel, rig, crane etc):
- 14.2 Addition to clause 4.5: Access Works also include docking or slipping of the unit (e.g. vessel, rig, crane etc as applicable) on which Service Work has been performed.
- 14.3 Addition to clause 4.6: Access costs also include but are not limited to the cost of the dismantling/ installation of pipelines, pumps, power take-off, opening and closing of hatches and bulkheads etc that are not part of products delivered by the Supplier, and any docking, diving, sub-sea work and towage costs.
- 14.4 Addition to clause 5.1: Indirect Losses also include but are not limited to towage charges, costs of docking, diving or sub-sea work and costs for sea trials.