



Standard Terms and Conditions for Supply of Goods and Services

1. Introduction

- 1.1 These Standard Terms and Conditions set out the terms that will always apply to the purchase of Goods and/or Services (as applicable) by Solstad Offshore ASA from the Seller unless the parties have expressly agreed otherwise in writing.
- 1.2 For the avoidance of doubt, any terms and conditions stated in Seller's order confirmation shall not apply to the purchases of Goods and/or Services (as applicable) by Solstad Offshore ASA.

2. Definitions and Interpretations

In these Standard Terms and Conditions, the following expressions shall have the following meaning:

"Solstad Offshore ASA Affiliate" or "Affiliate" means Solstad Offshore ASA a company incorporated and registered in Norway with organization number 945 883 294 whose registered office is at Nesavegen 39, 4280 Skudeneshavn, Norway or any entity which directly or indirectly controls, is controlled by, or is under the control of Solstad Offshore ASA.

"Buyer", means the Solstad Offshore ASA Affiliate that send a Purchase Order (PO) to order Goods and/or Services (as applicable) and,

"Seller", means the company receiving and delivering this order according to the issued PO, as described in the Company's Purchase Order (PO).

"Goods" means any products, parts, spare parts, consumables etc. that the buyer is ordering/buying from the seller.

"Additional Terms" means any additional terms and conditions which the parties have agreed to in writing shall be applicable to Purchase Orders such as "Frame Agreement", "Supplier Agreement", "Form of Agreement" or other similar documents signed by the parties.

"Purchase Order" or "PO" means an order for Goods and/or Services submitted in writing by the Company or any Affiliate to the Seller which shall incorporate these Standard Terms & Conditions.

"Purchase Order number" means the reference number on any Purchase Order assigned by the Buyer.

"Purchase price(s)" means the price of the Goods and/or Services (as applicable) as set out in the Purchase Order or as otherwise agreed in writing by the parties to be applicable to the supply.

"Delivery" means completion of delivery of Product and/or performance of the Services in accordance with the Purchase Order (PO).

3. Confirmation of Purchase Order (PO):

- 3.1 The Seller shall immediately, and no later than within two (2) working days confirm or invalidate the PO. Seller shall endeavor to confirm the PO within 24 hours.
- 3.2 If Seller fails to confirm the PO, Buyer may cancel the PO without any liability towards the Seller.
- 3.3 If confirmed delivery date is not met, Buyer reserves the right to cancel the PO and/or return the Goods, at the Seller's expense, without any liability on the part of Buyer.

4. Prices

- 4.1 The price shall be as agreed in the PO or on the order confirmation.
- 4.2 The price shall be in the currency agreed in the PO and on the order confirmation.
- 4.3 Unless otherwise agreed the price is fixed and includes all taxes and duties, together with any cost relating but not limited to packaging, packing, insurance, freight, delivery, certification and all other documentation.

5. Invoicing, Payment Terms and process:

- 5.1 Unless otherwise agreed, the seller shall be entitled to invoice the Buyer on or at any time after the delivery have taken place, as per specified on the PO.
 - The seller may not send invoices before the goods are delivered, and the Buyer is under no obligation to pay such invoices.
 - Buyer will pay all correct invoices (net of any agreed discounts, rebates or other sums due) sixty (60) days after reception of such invoice.
 - Buyer's obligation to pay any invoice is suspended all together if any part of the invoice is in dispute. The Buyer's obligation to pay will commence when dispute is settled.
 - If the Invoice has not been received within ninety (90) days after complete delivery of Goods and/or Service, the Invoice will be rejected at no liability to the Buyer.
- 5.2 Invoices must contain the PO number and each invoice is to cover one PO only. Split- or part Invoicing will not be accepted, unless agreed in writing between the parties and specified on the PO.
- 5.3 Delivery of goods to the Buyer's vessels is exempt of duty and therefor shall not be charged VAT.

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5.4 Invoices for Service Jobs shall be supported with:

Time Sheets (duly signed by Buyer's Representative)

- Service Report
- Other relevant documents such as Certificates etc.

5.5 All invoices must be submitted electronically through an agreed and accepted electronic format, such as but not limited to EHF (Elektronisk Handels Format)

6. Packing and Expenses

6.1 Prices are to include all standard packaging, packing and protection for transportation. The Seller shall ensure that the goods are adequately packed and protected against condensation, water ingress and rough handling etc. according to industry standards.

6.2 All deliveries shall be individually packed for each PO and marked with the Buyer's PO No. and vessel's name.

6.3 The tags shall be securely fastened to each single package. All packing shall be clearly marked in English (and if possible also in applicable local language) clearly identifying its content. One set of tags and applicable paperwork both inside and outside.

6.4 Packing lists shall be included in the shipment and cover one PO only. Missing items, (backorder) shall be highlighted separately. Environmentally friendly/recycled materials should be used wherever practicable.

6.5 For **Dangerous Goods** deliveries, such as, but not limited to **explosives, gases, flammable liquids and solids, oxidizers, poisonous-, radioactive-, corrosive-, or other dangerous goods**, items shall be packed and loaded in conformity with any and all relevant regulations and laws and packages have to be loaded separately if necessary. These items must also be delivered with Dangerous Goods Declaration / Shippers Declaration.

7. Loss or Damages to Goods

7.1 Unless otherwise specified in the PO, risk of loss or damage to the goods furnished by Seller under the Purchase Order, shall as set per **Incoterms®2010**.

7.2 The Seller is liable to cover all extra cost related to damage of goods due to improper packing.

8. Delivery and Forwarding Instructions

8.1 Deliveries shall meet the Buyer's requirement to quality and services, as well as other purchase conditions as listed in the PO. The delivery shall be governed by the **Incoterms®2010**.

8.2 All deliveries from the Seller to the Buyer and Buyer's vessels must be compliant with the **ISPS Code** and any other relevant regulations such as, but not limited to IMO, Flag state, SOLAS, DNV-GL and all National / Local requirements.

8.3 Further to SOLAS Regulation II-1/3-5 and MARPOL Annex VI Regulation 12 , the Seller is committed to document that any goods, or items delivered to Buyer, do not contain Asbestos or Ozone-depleting substances (CFCs). In regards to Regulation (EU) 1257/2013 (EU SRR) and the Hong-Kong Convention (HKC), the seller shall take particular note of the specific requirements to document, by way of Material Declaration (MD) and Suppliers Declaration of Conformity (SDoC), the presence of hazardous materials listed in the relevant legal instruments, when delivering structure material, machinery and equipment intended to be securely fitted with the ship. The same applies to spare parts and replacement items, intended to be securely fitted with the ship when used.

8.4 All deliveries shall be properly documented, stating clearly all relevant and detailed information required by Customs and Security- / Port State Authorities
If any delay in delivery occurs, Seller is obliged to immediately notify the Buyer.

8.5 For shipments where freight cost is to be covered by the Buyer, the Seller shall contact the appointed Freight Forwarder for shipping arrangement. Other unauthorized arrangements will not be accepted, unless agreed to by the Buyer in writing.

8.6 Seller is requested to provide a full set of shipping documents to the Buyer, or the appointed Freight Forwarder at departure of the shipment.
Shipping documents shall include the following:

- Shipping Invoice / Sale Invoice must contain all information as listed in PO instructions.
- Packing List.

8.7 If the buyer postpones the delivery date, the seller shall accept up to six (6) weeks, without any additional and/or extra cost to the Buyer

8.8 If seller fails to deliver within the agreed time, the buyer is entitled to a reduction in the total purchase price of the specific order of five (5 %) percent per commenced week of delay, effective from the first calendar day following the delivery date according to buyer's PO, purchase order. Buyer shall have the right to deduct such liquidated damages from seller's invoices.

8.9 Buyer reserves the right to cancel the purchase order in case of a delay in delivery, including delays due to Force Majeure, exceeding 30 days in duration, without any cost to buyer.

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9. Return of Goods

- 9.1 If the Seller is in default, the delivered Goods will be returned to the Seller and the Seller will be informed in a timely manner by the Buyer. The Seller shall immediately issue a Credit Note to the Buyer with reference to the original PO and invoice number. The Seller will be liable for all costs incurred by the Buyer as a result of the default of the Seller.
- 9.2 Delivered standard equipment, components and/or wear and tear spare parts, may be returned to seller during a period of up to 12 months, from the date of delivery to Buyer, provided:
- 9.2.1 Equipment, components and/or spare parts are returned to seller with information about buyer's order number, name of the vessel and preferably seller's reference number and such equipment, components and/or spare parts are in unused and good condition.
- 9.3 Returning such spare parts shall initiate 100% percent credit to buyer, excluding packing and/or transportation cost.
- 9.4 For purpose-built equipment, components and/or spare parts and standard equipment, components and/or wear and tear spare parts returned to Seller after a period of 6 months from the date of delivery to buyer a return fee shall be agreed upon between buyer and seller on a case by case basis.

10. Warranty

- 10.1 In the event any Goods or Services supplied by the Seller, within 12 months after delivery prove defective, deficient or not in conformity with the specifications, such defects or deficiencies shall be corrected and repaired by the Seller, at Sellers expense to the satisfaction of the Buyer. Any claim by the Buyer shall be put forward in writing to the Seller.

11. Documentation

- 11.1 A minimum of three (3) copies of instructions or operating manuals shall be provided for any goods or service requiring instructions or an operating manual.
- 11.2 A minimum of three (3) copies of any certificates shall be provided for any goods or services requiring certification.

12. Service Performance

- 12.1 Competent Person:
- Seller shall ensure personnel with relevant competence and experience to fulfill the Service Job as specified.
- 12.2 Work standard:
- The work shall be performed in compliance with applicable standards and codes of practice of the industry concerned.
 - Maker's standards of engineering practice incl. "Service Letter".

- Software up-grade shall be logged and recorded in vessel's file.
- Seller shall notify Buyer's representative when work is completed and following document shall follow such service:
 - Time Sheet
 - Applicable / relevant documents.
- Buyer's representative shall approve the performance of the Service including quality of work.
- Acceptance test shall be carried out in the presence of the Buyer's representative. Relevant operational data shall be logged and included in the Documentation/Service Report.

12.3 Deviations:

- Any deviation to plans shall be addressed to and approved by the Buyer's representative.
 - Change in Scope – any delay / cost impact
 - Time for commencement of Service
- Seller shall without undue delay, notify Buyer of any errors discovered.

12.4 Seller's right to involve Sub-Contractors:

- Seller may have the right to employ/use sub-contractors to perform works provided, subject to:
 - Buyer's approval of Sub-Contractor
 - Seller remains liable for the due performance of the obligations and the Sub-Contractor's employees.

13. Liability and Default

- 13.1 Indemnity
The Seller shall indemnify the Buyer from and against all claims, expenses and losses from any infringement of patent, license, copyright, etc. arising from or in connection with goods or equipment supplied or work carried out according to the PO.
- 13.2 Loss or Damage
Seller shall be liable for any loss or damages to equipment caused by its own and its Sub-Contractor's Personnel. Any such damages shall be repaired at Seller's own time and expenses.
- 13.3 Personal Injury or Death:
Each party accept responsibility and liability for its own personnel.
- 13.3 Defects:
Seller shall be responsible to rectify and repair any defects in delivered materials and workmanship.



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- 13.4 Defaults
If Seller for any reason fails to fulfil the obligations pursuant to the PO, the Buyer may choose one off the alternatives:
- New Service
 - Reduced Costs
 - Terminate PO
- 14. Health, Safety, Environment, Quality and Security**
- 14.1 Seller shall have a documented, implemented and auditable Health, Safety, Environment, Quality and Security management system, in accordance with NS-EN-ISO-9001-2008 or equivalent.
- 14.2 The established regime shall ensure a safe performance of the Services in accordance with applicable laws and regulations at any location where the Services are performed.
- 14.3 Service personnel shall comply with and have knowledge to Safety Requirements valid for the worksite, including use of PPE and any ISPS regulation.
- 14.4 Buyer will be responsible to ensure Safe Working Conditions while onboard the vessel.
- 14.5 Seller is responsible for the safe delivery of goods and shall give the highest priority to safety to avoid injury to any person and/or damage to any property.
- 14.6 Seller shall ensure that its employees and subcontractors shall comply with any local or international applicable health, safety and environmental laws, rules, regulations and any other requirements referred to by buyer or any of the foregoing as may be varied or supplemented from time to time. All costs incurred in complying with this shall be for the sole account of seller.
- 14.7 Seller is responsible for its own-, and its Sub-Contractors employees and equipment. If the Seller incurs liability towards itself, its employees, or any third party for damage to property, personal injury or death, the Seller shall indemnify, defend and hold the Buyer harmless for any claims.
- 14.8 If Seller by its own mistake, such as - but not limited to, wrong documentation, mismatch between PO and delivered goods, specification, weights, documents, etc. impose extra costs for the Buyer, Seller is liable to compensate the Buyer for such costs.
- 14.9 Seller undertakes to show consideration for the environment in its business, e.g. in relation to the usage of recyclable materials in producing and packing the goods.
- 14.10 Seller shall constantly strive to avoid the use of scarce resources in all areas of their business including, but not limited to, administration, production, packaging, transport, etc. This includes implementing procedures to ensure that wood from high conservation forests is avoided whenever possible.
- 14.11 Whenever the Seller's employees, Sub-contractors, agents and representatives need to go to the facilities of the Buyer or of its Contractors or Sub-contractors, the Seller agrees to take full responsibility for the safe and suitable conduct of its employees, according to all statutory requirements, local rules and HSE regulations.
- 14.12 Any person that goes to the Buyer's work site to provide services must, before starting the job, read all the Buyer's work site rules and safety manual.
- 14.13 The Seller must provide Personal Protection Equipment (PPE), safety training and documents to all its personnel, as determined in the Health, Safety and Environment procedures
- 14.14 The activities of the Seller shall be compliant with local law and legislation and do not harm the environment.
- 14.15 The Seller is under this Agreement committed to act correctly, comply with ethical guidelines and actively work with Anti-corruption.
- 14.16 The Seller shall strive to minimize the environmental footprint of their activities. Supplied goods and service shall be according to and meet good industrial standards, like ISO 14001 certification or relevant document(s).
- 14.17 The Buyer may carry out QA Audit on Seller with one (1) month notice.
- 15. Business Code of Conduct, Sanctions Compliance & Corporate Social Responsibility**
- 15.1 The Seller is obligated to adhere to the UN GlobalCompact's ten principles with regards to human rights, worker's rights, environment and anti-corruption.
- 15.2 The Seller shall act in accordance with Sanctions Authorities, meaning countries and international organizations or institutions imposing sanctions including, but not limited to: United Nations (UN), European Union (EU), Member States of the EU, Member States of the European Economic Area including Norway, United Kingdom (UK), United States of America (US), Singapore or Any authority acting on behalf of the foregoing in connection with sanctions, as well as any other Sanctions Authority relevant for Solstad's business operations.
- 15.3 Solstad Offshore ASA's Corporate Social Responsibility document may be found using this link: <https://www.solstad.com/investors/corporate-social-governance>
- 16. Control, Inspections and tests:**
- 16.1 The Buyer has the right to perform inspections, controls and tests at the sellers or other parties' premises to ensure that the goods or services (as applicable) are supplied in accordance with these terms and conditions. The seller shall without any additional cost to the buyer, offer the necessary assistance and support. The buyer shall immediately advise the seller of any errors discovered/uncovered during these inspections so that the error can be

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corrected before delivery of any goods or service (as applicable). Any inspections etc. do not relieve the seller from full responsibility to deliver the goods and/or services (as applicable) in accordance with the terms and conditions of the agreement and PO.

17. Termination Upon Insolvency

17.1 Either party may immediately terminate the supply of the Goods if the other party enters into any voluntary or involuntary liquidation, receivership, official management or composition of creditors (whether formal or informal).

18. Drug and Alcohol

Use of Drug or Alcohol will under no circumstances be accepted and any misuse may lead to:

- Involved Person(s) may be removed from the Vessel.
- PO may be cancelled by Buyer.

All costs involved will be for Seller's account. While onboard a vessel Service Personnel may be subject to Drug & Alcohol testing.

19. Product Information

19.1 Whenever we order Goods and/or Services (as applicable), you will promptly and accurately provide information for any Goods and/or Service (as applicable) to be established in our PMS/Procurement system prior to any PO. The information provided should be according to industry standard and contain the correct and appropriate information about the Goods(s) and/or Services delivered by the Seller.

20. Confidentiality

20.1 Each party undertakes to keep confidential any Confidential Information relating to the other party which it obtains under or in connection with the PO and not to use such information or disclose it to any other person.

21. Force Majeure

21.1 Either party shall be considered to be in default in case their contractual obligations are not complied with as a result of Force Majeure. Force Majeure means unforeseen event, out of the control of the affected parties, which effects could not be avoided or resolved with due diligence or planned efforts. Strikes limited to the Seller's employees or any workmanship provided by the Seller is not Force Majeure for purposes of this Agreement. The affected Party must notify the other, within seven (7) days, about the event considered as Force Majeure, and each Party will bear its own losses whilst the Force Majeure persists. In case the event taken as Force Majeure persists for more than thirty (30) days, any Party may request the termination of this Agreement.

22. Priority of Documents:

22.1 In case of contradiction, any Framework agreement and/or specific Project Contract and/or PO shall prevail over these Standard Terms and Conditions.

23. Governing Law and Disputes

23.1 This agreement shall be governed by Norwegian Law. In the event of any dispute arising under this agreement, including any allegation of breach and any failure to reach a mutual agreement hereunder, the parties shall refer the matter for consideration and resolution by the responsible executives of the parties. The responsible executives shall use their best efforts to resolve the dispute amicably. The seat of arbitration shall be either in Haugesund or Oslo, Norway.