
GENERAL CONDITIONS FOR PURCHASE OF SERVICES

1 GENERAL

- 1.1 Unless otherwise agreed, these general conditions ("General Conditions") apply to all purchases of Services made by the Institute for Energy Technology, including the individual departments and companies owned by the Institute for Energy Technology ("the Client"), as well as to all purchases for which the Agreement or the Client's order refer to General Conditions. Any deviating terms have no effect on the purchase, even if these are appended in accompanying enclosures by whoever providing the service ("Service Provider"), unless the Client has approved them in writing.
- 1.2 The Service Provider prepares tender at his own expense. Any deviations from the call for tender shall be clearly specified. The Client can accept or reject any and all offers.
- 1.3 The agreement between the Parties ("the Agreement") is entered into by separate agreement document or by written order followed by a written order confirmation. In the latter case, the Client's order is the equivalent of the agreement document.
- 1.4 If the content of the documents that are part of the Agreement contradict one another, the documents shall have the following order of precedence unless otherwise agreed:
- a) Agreement document/order, taking into account any changes the Parties have agreed in writing
 - b) The Order confirmation from the Service Provider
 - c) The tender from the Service Provider
 - d) The Client's description of the Assignment
 - e) These General Conditions
 - f) Ordinary Norwegian law

2 PERFORMANCE OF THE ASSIGNMENT

- 2.1 The Service Provider shall perform the agreed service ("Assignment") in compliance with the Agreement, including the provisions of these General Conditions. The Service Provider shall cooperate loyally with the Client and with due regard to the Client's interests. Each Party shall notify the other party without undue delay of any circumstances that he understands or should understand will have an impact on performance of the Assignment, including any anticipated delays.
- 2.2 The Service Provider shall always follow the prevailing statutory provisions and regulations relevant to performance of the Assignment, and will secure and maintain all necessary permits/licences in connection with the Assignment. It is the Service Provider's responsibility to see to it that government authorities and institutions acting on behalf of government authorities receive information mandated by statute regarding the work. The Service Provider is obligated to ensure that subcontractors report to government authorities in compliance with all applicable statutes and regulations. The Service Provider, when prompted to do so

by the Client, shall produce documentation showing that all aforementioned requirements are satisfactorily met.

- 2.3 The Service Provider shall perform the Assignment in compliance with professional skill, proven approach and first-class performance in conformity with the currently applicable industrial standards. The Assignment shall be performed in conformity with the requirements of the Agreement, be of god quality and be suitable for the intended purpose.
- 2.4 The Service Provider is responsible for all equipment that is necessary to perform the Assignment. In the event the Client specifies requirements for materials, equipment, construction options, methods, guidelines, etc., the Service Provider immediately shall inform the Client of any reservations concerning these.
- 2.5 Unless the Client decides otherwise, each of the Parties shall appoint a contact person who will be authorized to act on behalf of the party in all matters regarding performance of the Assignment.
- 2.6 The Service Provider and his personnel have access only to that part of the Client's premises that is necessary for performing the Assignment.
- 2.7 The Client may require that the Supplier produce a time schedule for performance of the Assignment.
- 2.8 The Service Provider cannot transfer his rights and obligations under this Agreement to any other party without the consent of the Client. This applies likewise to transfer within the Service Provider's company group and in the event of change of the Service Provider's company structure. An equivalent constraint applies to the Service Provider's right to subcontract the Assignment. Approval cannot be refused without reasonable grounds.
- 2.9 When the Service Provider considers the Assignment completed, the Client is to be notified as soon as possible. Upon receipt of such notification, the Client will confirm in writing whether the Assignment is accepted as completed. In the event the Client does not accept the Assignment as completed, the Client will within reasonable time notify the Service Provider of the rationale for this.
- 2.10 The Client has the right to conduct necessary controls to verify that the Service Provider is fulfilling his obligations pursuant to the Agreement. The Service Provider shall provide whatever assistance is necessary to conduct such control.

3 PERSONNEL

- 3.1 The Service Provider is responsible for ensuring that the assigned professional personnel have the public authorizations, education and certificates etc. that are necessary to perform the Assignment.
- 3.2 The Client shall not be considered the employer of the Service Provider's personnel, even if such personnel are to perform the Assignment or parts thereof in collaboration with the Client's organization at the Client's place of business.
- 3.3 The Service Provider's personnel may not be withdrawn from the Assignment or be replaced without the Client's prior written approval. Approval cannot be refused without reasonable grounds. Training of new personnel shall be at the expense of the Service Provider.

- 3.4 The Service Provider, at his own cost, shall see to it that personnel who perform in a blameworthy manner or who are deemed unfit to perform the Assignment, are replaced immediately.
- 3.5 The Service Provider must immediately notify the Client of any existing or potential conflict of interest in connection with the Assignment.

4 HSE AND QUALITY ASSURANCE. CORPORATE SOCIAL RESPONSIBILITY

- 4.1 The Service Provider must satisfy all statutory requirements to HSE, and shall follow the Client's at all times applicable rules for HSE. The Client shall familiarize the Service Provider with the regulations applicable for the Assignment at any given time. The Service Provider is obligated to inform personnel covered by the Agreement of the Client's HSE requirements and guidelines that are applicable at any given time, and ensure that these are complied with.
- 4.2 The Service Provider shall have a satisfactory quality assurance system that is adapted to the nature of the Assignment. When so requested, the Service Provider shall prepare a separate quality plan adapted to the performance of the Assignment. If deviations are detected, the Service Provider is obligated to implement corrective measures without undue delay. The Client may set a reasonable deadline for execution of the corrective measures. Failure to implement corrective measures constitutes material breach of contract.
- 4.3 The Client is responsible for making provisions ensuring that the Service Provider is granted access to the Client's relevant quality documents. Before the Assignment commences, the Service Provider is obligated to familiarize himself with the relevant quality documents. During performance of the Assignment, the quality documents are to be complied with.
- 4.4 The Service Provider guarantees that general principles of environmental and corporate social responsibility are taken into account, including the mandates that
 - Children or forced labor are not used as labor in connection with performance of the Assignment.
 - Supplier's and subcontractors' employees contributing to performing the Assignment, have wages and working conditions in accordance with § 5 of the Norwegian administrative Regulations for Wages and Working Conditions within Public Procurement. The Client may demand information according to § 6 of the same regulations.
 - Suppliers and subcontractors contributing to performing the Assignment, does not discriminate employees or others in any way, thereunder regarding race, religion, gender or sexual orientation.

Any breach of warranties according to this Item 4.4 entitles the Client to terminate the Agreement.

5 PRICE AND PAYMENT

- 5.1 The Client shall pay the Service Provider in accordance with the conditions laid down in the Agreement. Agreed prices shall cover all the Service Provider's costs related to the Assignment. Prices remain fixed during the agreement period. Work beyond normal working hours will not affect the hourly rate. If a total frame of cost has been agreed, this amount represents the Service Provider's maximal demand

for remuneration, unless the Client has approved additional remuneration in writing.

- 5.2 When the Assignment is compensated based on a time basis, the Service Provider's personnel shall keep timesheets on a daily basis. If timesheets are signed by a representative of the Client, the signature is only a confirmation of work time spent related to the Assignment, and does not indicate any approval of the cost.
- 5.3 Travel cost and subsistence allowance incurred in connection with performance of the Assignment, which is not included in the fixed contract sum, will be paid in accordance with the Client's travel allowance scale. The Service Provider may not invoice elapsed travel time unless otherwise agreed.
- 5.4 Invoicing takes place in arrears at the end of each month. The Service Provider shall submit the invoice for final settlement within 2 months after completion of the Assignment. This final invoice shall cover all claims made by the Service Provider to the Client in connection with performance of the Assignment. Claims that are not included on the final invoice may not be submitted later.
- 5.5 The Client shall pay approved invoice amounts 30 days after a correct invoice is received.
- 5.6 All invoices shall be marked with the agreement number or order number as well as any other references required by the Client. The invoice shall clearly indicate what services/work the sum is related to and must have all agreed vouchers/enclosures. For agreements based on hourly rates, approved timesheets must accompany the invoice. The Client reserves the right to return invoices that do not satisfactorily meet these requirements.
- 5.7 The Client may withhold disputed or undocumented claims for payment, but shall inform the Service Provider of the specific sums withheld and the rationale for withholding them. After the Client has received a satisfactory explanation or documentation, the sum will be paid on the next ordinary payment date.

6 DOCUMENTATION AND CONTRACT DOCUMENTS. RIGHTS TO RESULTS

- 6.1 All necessary documentation such as certificates, descriptions, drawings, instructions etc. comprise an integrated part of the Assignment.
- 6.2 The Service Provider guarantees that he has the right to use all factor inputs, including third party's patented solutions, and that the rights of others will not be infringed upon by execution of the Agreement. The Service Provider is responsible for the consequences resulting from an infringement on the rights of a third party.
- 6.3 The Client gains all rights to the results of the Assignment. All reports, drawings, specifications and similar documents, as well as computer programs that are developed as a result of the Service Provider's work under the Agreement, are included in the results of the Assignment.
- 6.4 Documents and computer programs not considered to be results of the Assignment, which are necessary for operation, status check, maintenance and the like, shall nevertheless be turned over to the Client, which then has unrestricted usufruct. Such documents or programs may not be used for other purposes without the Service Provider's consent.

- 6.5 The Service Provider may not accept any assignments for any other work provider, without the permission of the Client, if the new assignments are directly based on the results of the Assignment performed for the Client. However, the Service Provider may apply acquired competence to develop his own business.

7 VARIATIONS – CANCELLATION

- 7.1 The Client has the right to prescribe variations of any kind to the Assignment, including changes in the progress schedule. The Client cannot, however, demand any variations that go beyond what the parties could have reasonably anticipated when the Agreement was entered into. If the Client requires variations, the Service Provider shall, without undue delay, inform the Client of any impact on price and the time schedule.
- 7.2 If the Service Provider discovers a need for variations, the Client shall be notified of this as soon as possible. The same applies if the Service Provider has proposals to variations that will entail improvement, simplification, cost-savings or other benefits for the Client.
- 7.3 Any variations must be approved in the form of a variation order in writing by someone authorized to act on behalf of the Client. The variation order must specify that a variation is requested, and what the variation involves. The Service Provider shall keep an ongoing, updated catalogue of all variations. If the Service Provider wishes to invoke that the Client's requirement represents a variation entitling him to additional payment or an extended deadline, in the absence of a variation order, he shall, within reasonable time, submit a written variation order request. If the Service Provider fails to submit such request, the right to invoke the requirement as grounds for additional payment or an extended deadline is lost. The Client shall answer the Service Providers request within reasonable time, otherwise the request is deemed accepted.
- 7.4 The Service Provider shall be paid for extra work incurred by the implementation of any variations. Unless otherwise agreed, compensation is calculated in conformance with the levels of cost and service for the prior agreed assignment. If the prior agreed work scope is not relevant for an assessment of the surcharge for extra work, the assessment shall be based on the reasonable value of equivalent services. If variations entail a reduction in the Service Provider's services, the Client shall likewise be credited in proportion to this reduction.
- 7.5 In the event that the parties disagree whether an imposed performance of the Assignment entails a variation, or if there is any other disagreement regarding adjustment of the remuneration or extension of the deadline as a result of variations, the Service Provider is obliged to perform the imposed performance, without waiting for final resolution of the dispute.
- 7.6 The Client may, at any given time with prior written notice, postpone all or parts of the Assignment. In the event of such postponement, the Service Provider immediately shall notify the Client of any impact postponement might have on completion of the Assignment. The Service Provider shall resume work as soon as he is notified by the Client to do so. If the period of postponement lasts more than 30 days beyond what is notified, the Service Provider has the right to terminate the Agreement via written notification to the Client. The notification shall inform the Client that termination can be avoided by sending notice, within 7 days, that the Assignment is to be resumed.

- 7.7 During the period of postponement, the Service Provider may require coverage by the Client for documented and necessary expenses in connection with any reassignment of the work personnel.
- 7.8 The client has the right to cancel the Assignment at any given time. The Service Provider is not entitled to any special remuneration on the basis of such cancellation. However, the Client shall cover any documented and necessary costs incurred in connection with an expedient liquidation of the Assignment.

8 BREACH OF CONTRACT AND CONSEQUENCES OF SUCH BREACH

- 8.1 If the Service Provider defaults on any of his obligations in connection with the Assignment, the Service Provider immediately shall take whatever measures necessary to fulfil his obligations. If this is not done by a reasonable deadline set by the Client, the Client may terminate the Agreement.
- 8.2 If there is a defect in the performance of the Assignment, the Service Provider is responsible as described in the Agreement and General Conditions. The Service Provider is not responsible for incorrect solutions or methods prescribed by the Client or errors in material delivered by the Client. If the Service Provider should have discovered the error, all or parts of the risk will be transferable to him. The Client's approval of proposals or planning materials does not exempt the Service Provider from responsibility to perform the Assignment in conformity with the Agreement.
- 8.3 The Client shall give notice in writing within reasonable time after the defect has been detected, but no later than 24 months following the Client's approval of the performed Assignment. For remedial work, an equivalent deadline for complaints runs from the time when the remedial work was completed. Expiry dates for complaints are postponed equivalent to time spent on repairs or other activities necessary to ensure correct fulfilment of the Assignment.
- 8.4 The Service Provider shall remedy defects related to performance or the results of the Assignment at his own expense. If the Service Provider fails to correct the detected defects within reasonable time after the Client's notification, the Client may either claim a price reduction, or implement the necessary improvements himself. The Client may also undertake remedial actions if waiting for the Service Provider to take action will result in significant inconvenience for the Client. The Service Provider shall reimburse the costs incurred for such remedial work, provided the Client has acted in a reasonable manner.
- 8.5 In the event the agreed deadline for completion, including milestone deadlines, is exceeded, the Service Provider shall pay 0.2 % of the agreed payment for the Assignment for each calendar day exceeding the deadline, with an upper maximum limit of liability amounting to 10% of the same sum. Liquidated damages may be deducted by the Client from the Service Provider's receivables. If the results are defective to the extent that they are unsuitable for use for their intended purpose, this will be considered equal to delay. If the maximum liquidated damages are due, this status will always be deemed a material breach of contract. Liquidated damages as mentioned above, are only applicable when a contract price is agreed. Otherwise, the Service Provider shall indemnify the Client in accordance with item 8.7.
- 8.6 In the event of the Service Provider's breach of contract, the Client may withhold payment, but not more than reasonably necessary to ensure his claims pursuant to the breach.

- 8.7 Either party may claim compensation for any direct loss as a result of breach of contract. Indirect loss is not compensated unless the defaulting party or someone for whom the party is responsible has acted intentionally or with gross negligence. Costs for ordinary measures that compensate for delays or defects, and costs for measures that limit direct loss, may be claimed for reimbursement in any case. The sum of compensation and any liquidated damages in a liability claim following delay, shall not exceed either party's actual loss and costs.
- 8.8 The Service Provider shall indemnify the Client if performance or the result of the Assignment entails infringement of a third party's patent rights or other intellectual property rights, except when this is a necessary consequence of the Client's specifications and the Service Provider did not know or should not have known that such an infringement was made. The Service Provider shall indemnify the Client for any and all claims as a result of damages to a third party's or the Service Provider's property and claims made by his own or third party's personnel. The Parties shall mutually inform one another when claims involving the other Party are raised by a third party.
- 8.9 If a party defaults on his obligations to a material extent, the other party may terminate all or parts of the Agreement effective immediately. Bankruptcy, insolvency, breach of other material economic conditions, repeated breach of instructions or serious breach of legal statutes and regulations and fraud always constitute material breach of contract. The same applies to delays or deficiencies that entail that the Client's purpose for the Agreement cannot be achieved.
- 8.10 In the event of termination, the Client shall pay for services provided in accordance with the Agreement prior to termination, to the extent that the Client can use such services as intended. If the Service Provider's breach is of such nature that the Client has little or no benefit from the delivered services, the Client, in connection with termination, may require reimbursement of all disbursed payments and other expenses, along with interest calculated on the basis of the dates when payments were made. The interest rate is to be NIBOR + 1%.

9 FORCE MAJEURE

- 9.1 If an extraordinary event occurs, that according to Norwegian law, is considered to be Force Majeure, and they impede the performance of the Agreement or makes performance unreasonably onerous, the other party must be informed as soon as possible. The parties' obligations are suspended for as long as the extraordinary situation persists. If the extraordinary situation lasts, or is expected to last, for more than 60 days, the party that is unaffected by Force Majeure may terminate the Agreement by written notice. Such notification must be given with at least 15 days advance notice.

10 INSURANCE

- 10.1 The Service Provider shall, at his own expense, provide and maintain liability insurance adapted to the Service Provider's business and the nature of the Assignment, that will cover loss or damage to persons or property in an amount that satisfies the Client's requirements. Unless otherwise agreed, the amount of liability protection must never amount to less than NOK 3 million for each insurance event.

11 CONFIDENTIALITY

- 11.1 All the Client's trade secrets, as well as all descriptions, procedures, formulas, models and the like that the Service Provider has received from the Client in connection with performance of the Assignment, must be handled as "Confidential" in compliance with the Norwegian Act of 20 March 1998 No. 10 relating to Protective Security Services (the Security Act) and related regulations, including subsequent amendments, and must not be duplicated or used for any purpose other than performing the Assignment. The Service Provider is liable for damages incurred the Client as a result of breach of these obligations. When requested to do so, the Service Provider shall immediately return any received documents.
- 11.2 The Service Provider shall not take photographs of or at the premises of the Client's property.
- 11.3 The Service Provider may not issue press releases, announcements or publicize any kind of advertisement pertaining to the Assignment, without written permission from the Client.
- 11.4 Regardless of the afore-mentioned, the parties shall maintain the duty of confidentiality regarding any personal information and/or information that would be of competitive significance to conceal in the interest of those the information concerns.
- 11.5 Confidentiality applies to the parties' employees, subcontractors and other third parties who act on behalf of the parties in connection with the implementation of this Agreement. The parties are permitted to communicate confidential information to subcontractors or third parties only to the extent that it is necessary in order to perform the Assignment, provided that these personnel are placed under an equivalent duty of confidentiality as that mentioned in this Item 11.
- 11.6 The duty of confidentiality also applies after the Service Provider has completed the Assignment. Furthermore, the Service Provider may not use the information mentioned in this Item 11 in his own business activity or in the provision of service or work for others. The Client may require that the Service Provider's personnel sign a separate declaration of non-disclosure.
- 11.7 Breach of the conditions concerning confidentiality/non-disclosure will be deemed a material breach of the Agreement.

12 APPLICABLE LAW AND PLACE OF JURISDICTION

- 12.1 In the event of a dispute regarding the Agreement, efforts will be made to solve it through negotiations. If negotiations fail to yield a positive result, the case will be submitted to the ordinary courts of law, unless the parties agree to submit the case for decision by arbitration. The Agreement is governed by Norwegian law, and Nedre Romerike District Court is the court of venue unless the parties agree on another venue.