

# COSL - General Conditions for Purchase and Services

## 1 – GENERAL PROVISIONS

### 1.1 DEFINITIONS

**"AFFILIATE(S)"** means in respect of COMPANY and CONTRACTOR, a company that controls, is controlled by or is under common control with the respective party. The word "control" shall for the purposes of this definition mean possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust, or otherwise.

**"COMPANY"**, means the buying entity stated as such in the PURCHASE ORDER or its successors or permitted assignees.

**"COMPANY GROUP"**, means COMPANY, its AFFILIATES and customers, and its and their contractors and subcontractors of any tier, except CONTRACTOR, and employees, agents and servants of the aforementioned entities, all to the extent they participate in the WORK.

**"CONTRACT"** means the PURCHASE ORDER, these General Conditions for Purchase and Services and any other document forming part of the agreement between the parties, including as the case may be a separate form of agreement.

**"CONTRACTOR"**, means the company or person stated as such in the PURCHASE ORDER or its successors or permitted assigns.

**"CONTRACTOR GROUP"**, means CONTRACTOR, its AFFILIATES, and its and their contractors and subcontractors of any tier, and employees, agents and servants of the aforementioned entities, all to the extent they participate in the WORK.

**"DAY(s)"** means running calendar day unless otherwise specifically provided.

**"DELIVERY"**, means in respect of GOODS not provided as part of SERVICES, delivery according to INCOTERMS 2020 terms as specified in the CONTRACT, and in respect of SERVICES, including the delivery and testing of any GOODS provided as part of the SERVICES, when these are successfully completed, as further defined in the PURCHASE ORDER and these General Conditions for Purchase and Services Article 5. DELIVERY is not considered complete for any part of the WORK until hand-over of all DOCUMENTS to COMPANY, as relevant.

**"DELIVERY DATE"**, means the agreed date of DELIVERY of the WORK, as set out in the PURCHASE ORDER.

**"DOCUMENTS"**, means drawings, plans, calculations, certificates, manuals, datasheets and all other technical, commercial or other documentation to be supplied by CONTRACTOR pursuant to the PURCHASE ORDER.

**"FORCE MAJEURE"** means means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the CONTRACT, and could not reasonably have avoided or overcome it or its consequences.

**"GOODS"**, means all material and equipment to be delivered by CONTRACTOR pursuant to the PURCHASE ORDER.

**"PURCHASE ORDER"**, means the separate contract document, whether called PURCHASE ORDER or otherwise describing the WORK, including special conditions (if any).

**"PURCHASE ORDER PRICE"**, means the total price specified in the PURCHASE ORDER and which shall constitute full compensation to CONTRACTOR for the WORK, including all costs, expenses, taxes (including VAT and GST as relevant), duties, fees or charges of any kind incurred by or levied on CONTRACTOR related to the performance of the WORK, and for fulfilling all of its obligations under the CONTRACT.

**"SERVICES"**, means all activities to be performed by CONTRACTOR pursuant to the PURCHASE ORDER, including the provision of the relevant GOODS required for the performance of the SERVICES. DOCUMENTS shall not be regarded as part of the SERVICES.

**"WARRANTY PERIOD"** means the period set out in Article 8.

**"WORK"**, means all SERVICES to be performed and GOODS to be delivered by CONTRACTOR under the CONTRACT, as further detailed in the PURCHASE ORDER, including the provision of DOCUMENTS.

### 1.2 CONTRACT DOCUMENTS AND PRIORITY

1.2.1 These General Conditions for Purchase and Services shall take priority over any other terms and conditions forming part of the CONTRACT, including terms and conditions contained in the PURCHASE ORDER, unless specifically agreed otherwise in writing.

## 2 – PERFORMANCE OF THE WORK

### 2.1 GENERAL OBLIGATIONS OF CONTRACTOR

2.1.1 CONTRACTOR shall ensure that the WORK is performed in compliance with applicable laws and regulations, requirements, guidelines and orders from relevant authorities and certifying agencies, including classification societies.

2.1.2 WORK shall be performed according to standards of high workmanship and in accordance with agreed specifications. GOODS shall be new and fit for their normal and ordinary purpose and in all respects comply with the requirements of the CONTRACT. CONTRACTOR is responsible for the accuracy of any information and DOCUMENTS supplied to COMPANY. Any additional cost incurred by COMPANY as a result of any inaccuracy, or any prejudice with regards to its warranties, guarantees or other rights shall be borne by CONTRACTOR.

2.1.3 CONTRACTOR shall have an implemented and documented quality managementsystem in accordance with ISO9001, suitable for the WORK to be performed. COMPANY is at any time entitled to carry out, and CONTRACTOR shall assist in carrying out, inspections of the WORK as well as quality audits and verifications of CONTRACTOR's and any sub-contractor's quality system, at CONTRACTOR's or any sub-contractor's premises.

2.1.4 In the event the WORK involves the use of or contains hazardous material or substances, CONTRACTOR shall take all necessary precautions to ensure safe handling, use, storage and transport of the materials and substances. Any hazardous material and substances shall be accompanied by Material Safety Data Sheets (MSD) compliant with relevant national/international legislation and be clearly labelled/marked as such.

2.1.5 CONTRACTOR shall be responsible for, give priority to and ensure the safety of life, health, environment and property. CONTRACTOR shall have a documented, implemented and auditable Health, Safety, Security and Environment (HSSE) management system for the WORK to be performed. CONTRACTOR's HSSE management system shall have a level of standard that enables CONTRACTOR to seek the fulfilment of COMPANY's QHSE policy and other relevant policies as set out herein: <http://www.cosl.no/ghse>. COMPANY shall have the right to perform quality audits of CONTRACTOR's HSSE management system. Subject to the foregoing, CONTRACTOR undertakes to comply with COMPANY's safety instructions and COMPANY Policies, as amended from time to time.

2.1.6 CONTRACTOR shall immediately notify COMPANY of any fatal or severe safety incidents occurring and directly related to the performance of the WORK that occur on COMPANY's premises and/or offshore. The notice shall be followed up by a written notification within 1 hour.

2.1.7 CONTRACTOR shall, in a timely manner, obtain and maintain all approvals, permits, licences and clearances necessary to perform the WORK, and which may be provided by CONTRACTOR or in CONTRACTOR's name. CONTRACTOR shall whenever requested by COMPANY produce documentation showing that such have been obtained. CONTRACTOR shall provide all reasonable and necessary assistance in procuring approvals, permits, licences and clearances that can only be provided in the name of COMPANY.

## **2.2 PERSONNEL**

2.2.1 CONTRACTOR shall at its own cost ensure that all personnel involved in the WORK have the competence and experience required for performance of the WORK, including also all necessary safety courses and medical examinations, as relevant. Upon COMPANY's request, CONTRACTOR shall provide COMPANY with proof of competence as required to perform the WORK.

2.2.2 CONTRACTOR undertakes to maintain an adequately large project organisation in order to manage the agreed WORK and tasks. All personnel shall master English, both in writing and orally and preferably Norwegian if WORK is performed in Norway.

2.2.3 COMPANY may require CONTRACTOR to replace personnel which, in the reasonable option of COMPANY, is deemed to be unfit for performance of WORK or acting in a manner which is detrimental to the interests of COMPANY. CONTRACTOR undertakes, at its own costs, to replace such personnel upon COMPANY's request.

## **3 – PAYMENT AND AUDITS**

### **3.1 PURCHASE ORDER PRICE**

3.1.1 The PURCHASE ORDER PRICE shall be as stated in the PURCHASE ORDER and shall be inclusive of all labour, plant, materials, equipment, machinery, vehicles, tools, facilities and services, and all ancillary and other works, expenditure, risks, overtime and contingencies, required or necessary to be undertaken, for the proper execution and completion of the WORK.

3.1.2 No additional sums shall be payable in respect of variations to the WORK, unless to the extent that the same is ordered by COMPANY under a separate PURCHASE ORDER.

### **3.2 TERMS OF PAYMENT**

3.2.1 Unless otherwise agreed in the PURCHASE ORDER, CONTRACTOR shall invoice COMPANY following DELIVERY.

3.2.2 COMPANY shall pay the undisputed part of the invoice within thirty (30) Days of receipt of a correct invoice, provided CONTRACTOR's obligations under the CONTRACT have been fulfilled. COMPANY may withhold any disputed or insufficiently documented amounts. COMPANY shall not be obligated to pay invoices received more than ninety (90) Days after DELIVERY.

3.2.3 All financial settlements, billings and reports rendered to COMPANY shall reflect properly the facts about all activities and transactions handled for the account of COMPANY.

3.2.4 The number of the PURCHASE ORDER and other agreed references shall be quoted on all invoices which shall also clearly indicate what the invoiced amount relates to. If the invoice(s) are not in compliance with the requirements of the CONTRACT, COMPANY shall return the invoice(s) to CONTRACTOR for CONTRACTOR to promptly correct and re-issue a new invoice to COMPANY.

3.2.5 If COMPANY fails to pay on time, COMPANY shall pay interest on overdue payment at a rate of 8 % per annum. Interest on overdue payment shall be payable in the same currency as the overdue payment and shall accrue from the due date and up to the date of actual payment.

3.2.6 Payment of the PURCHASE ORDER PRICE, including any set-offs against due and owing debt, or use of the WORK

shall not constitute any admission by COMPANY as to the performance by CONTRACTOR of its obligations under the CONTRACT and shall not prejudice any rights or remedies of COMPANY under the CONTRACT or otherwise at law.

3.2.7 Without prejudice to any other rights or remedies under the CONTRACT, COMPANY is entitled to set-off any amounts due to CONTRACTOR under the CONTRACT.

3.2.8 When WORK is to be performed offshore, COMPANY will provide at its expense:

(i) transportation, unless otherwise specifically agreed, for GOODS and personnel of members of CONTRACTOR between COMPANY's designated place of delivery and the offshore place for performance of the WORK, using COMPANY's scheduled transportation (unscheduled or non-routine transport necessitated by failure of any of the members of CONTRACTOR to have personell or property at an embarkation point at the due time will be charged to CONTRACTOR); and

(ii) accommodation and messing for CONTRACTOR personell at the offshore place of performance. CONTRACTOR shall comply, and shall ensure that its personell and the other members of CONTRACTOR and their respective personell comply with COMPANY's rules regarding accommodation and messing.

CONTRACTOR is responsible and liable for all costs of transportation, meals and lodging between CONTRACTOR's premises and COMPANY's designated place of delivery, and after return from such place.

### **3.3 AUDITS**

3.3.1 COMPANY may request CONTRACTOR to submit to COMPANY any documents which are relevant to the WORK. COMPANY is entitled to perform audits at CONTRACTOR and sub-contractors' premises of all payments and accounts in respect of the WORK. Such audits include, but are not limited to, access to work hour and material lists, accounts and other documents relevant to the performed WORK, as well as protocols from sub-contractors with accompanying documents. CONTRACTOR shall assist in the performance of such audits and presentation of relevant documents.

3.3.2 The rights pursuant to Article 3.3.1 shall apply for the duration of the WORK and five years after the Delivery Date

## **4 – TAXES**

4.1 CONTRACTOR shall be responsible for all taxes, duties, fees, levies, imposts, charges or other duties of whatever nature, imposed on CONTRACTOR, including but not limited to corporate tax (including income, profits, capital gains and corporation taxes), payroll taxes, social security and other similar costs and payments to employees.

4.2 CONTRACTOR is responsible for reporting and paying all legally enforceable taxes, duties, fees, levies, imposts, charges or other duties of whatever nature incurred in connection with the WORK anywhere. CONTRACTOR shall promptly settle all such taxes, duties, fees, levies, imposts, charges and the like and to minimise and settle all interest, penalties and costs in connection therewith, and will indemnify and hold COMPANY harmless against the same. For the purpose of mutual benefit, CONTRACTOR and COMPANY shall share relevant information pertaining to this area.

4.3 COMPANY will withhold any legal compliant taxes required by any government, authority or legislation, national or local, in any place in which the WORK is carried out. COMPANY is obligated to supply CONTRACTOR with all tax withholding certificates in a timely manner and no later than three years from the end of the income year when the relevant payments are deducted, or, upon request, provide sufficient evidence within three months from the date of request. Certificates should be sent to CONTRACTOR, marked for the attention of the tax manager.

## **5 – DELIVERY AND DELAY**

### **5.1 TERMS OF DELIVERY, RISK AND TITLE**

- 5.1.1 The WORK shall be delivered at the agreed location (as specified in the PURCHASE ORDER), at the DELIVERY DATE and according to the provisions of the CONTRACT.
- 5.1.2 Risk and title to GOODS not provided as part of SERVICES shall be transferred to COMPANY upon DELIVERY. The relevant Incoterms 2020 rule shall be FCA, at the location specified in the PURCHASE ORDER or if not stated, COMPANY's premises as specified in the PURCHASE ORDER.
- 5.1.3 Risk and title to SERVICES, including GOODS as relevant, shall be transferred to COMPANY upon DELIVERY. When CONTRACTOR consider that SERVICES are successfully completed, CONTRACTOR shall notify COMPANY in writing and, unless otherwise agreed, CONTRACTOR shall perform a take-over test to demonstrate that the SERVICES are in compliance with the CONTRACT. The take-over test shall be performed in the presence of representatives of both parties and documented by CONTRACTOR, as relevant.
- 5.1.4 If the take-over test shows that the SERVICES are not in accordance with the CONTRACT, CONTRACTOR shall as soon as possible remedy any deficiency and, if required, perform a new test to demonstrate that the deficiency has been rectified.
- 5.1.5 CONTRACTOR shall promptly make good, at his own cost, any loss or damage, howsoever caused, to the GOODS before DELIVERY, including GOODS delivered as part of SERVICES.
- 5.1.6 COMPANY holds title to all DOCUMENTS, specifications, other documentation and information issued by COMPANY in connection with the CONTRACT.
- 5.1.7 Neither COMPANY's inspection nor the fact that CONTRACTOR has sent drawings, goods or samples for COMPANY's inspection limits CONTRACTOR's responsibility for ensuring that the WORK is in compliance with the PURCHASE ORDER requirements.
- 5.1.8 COMPANY is entitled to demand DELIVERY of the WORK or any part thereof at any time upon payment of due and outstanding parts of the PURCHASE ORDER PRICE.
- 5.1.9 CONTRACTOR shall not have the right to withhold the WORK, or any part thereof, as security for claims against COMPANY, even in the event the compensation to be paid to CONTRACTOR is disputed.

### **5.2 DELAY**

- 5.2.1 If CONTRACTOR has grounds to believe that the DELIVERY will be delayed beyond the DELIVERY DATE, CONTRACTOR shall immediately notify COMPANY in writing of the delay, the cause thereof and if possible the time when the WORK is expected to be delivered. CONTRACTOR shall also include a proposal on how the delay can be minimised.
- 5.2.2 CONTRACTOR shall implement all reasonable measures and bear all costs incurred to minimise the delay.
- 5.2.3 If CONTRACTOR fails to give notice of the delay as per Article 5.2.1, CONTRACTOR shall be liable for all costs and/or losses suffered by COMPANY which could have been avoided if CONTRACTOR had given such notice.
- 5.2.4 If CONTRACTOR fails to deliver the WORK on the DELIVERY DATE, COMPANY is entitled to payment of liquidated damages amounting to 0.5 % of the PURCHASE ORDER PRICE per commenced DAY of delay. The liquidated damages shall not exceed 15 % of the PURCHASE ORDER PRICE.
- 5.2.5 If DELIVERY is, or in COMPANY's reasonable opinion will be, delayed beyond the maximum period for payment of liquidated damages according to Article 5.2.4, COMPANY may terminate the CONTRACT with immediate effect.

## **6 – SHIPPING INSTRUCTION AND PACKING LIST**

- 6.1 Packing lists/advice notes/invoices etc. shall relate to one PURCHASE ORDER only, and shall be duly marked with PURCHASE ORDER number and item number(s), tag number and other information as required and defined in the PURCHASE ORDER. Packing lists/advice notes and invoices must correspond to the PURCHASE ORDER with respect to item number, part number, tag number, COSL ID no, GOODS description and specification.
- 6.2 All GOODS shall be duly marked with COMPANY's specified tag number and in accordance with packing lists and instructions stated in the PURCHASE ORDER or in writing by COMPANY. If the consignment consists of more than one package, each package shall contain a detailed list of contents.
- 6.3 For all deliveries, the GOODS and packing lists/advice notes shall be duly marked with the gross weight and dimension including Harmonized Commodity Code (Taric), country of origin and the net and gross weight of each item being delivered.  
  
CONTRACTOR shall comply with all applicable legislation and regulations regarding the marking of hazardous material. GOODS which are contaminated beyond use at the time of DELIVERY, shall be regenerated or disposed of by CONTRACTOR. CONTRACTOR shall bear all expenses for the said processes.
- 6.4 Any certificates and other DOCUMENTS specified in the PURCHASE ORDER shall, unless otherwise specified in the PURCHASE ORDER, be delivered together with the WORK with copies to COMPANY as stated in the PURCHASE ORDER.

## **7 – CERTIFICATE OF ORIGIN. EXPORT CONTROL. CUSTOMS INVOICE**

- 7.1 CONTRACTOR shall provide COMPANY with country of origin for all GOODS, and with specification of the same in invoices.
- 7.2 In the case of imported GOODS requiring a certificate of origin, such certificate and a customs invoice, shall be submitted to COMPANY, or any other third party as specified by COMPANY in the PURCHASE ORDER, for this purpose.
- 7.3 Costs incurred by COMPANY due to lack of or incompleteness of certificate of origin or customs invoices shall be charged to CONTRACTOR and deducted from payment of the PURCHASE ORDER PRICE.

## **8 – WARRANTY AND LIABILITY FOR DEFECTS**

### **8.1 WARRANTY**

- 8.1.1 CONTRACTOR warrants and guarantees the WORK against any defects, which arise in the Warranty Period. CONTRACTOR also warrants that materials used in relation to the WORK are new and that the WORK performed by CONTRACTOR and any sub-contractors are in accordance with the CONTRACT and fit for their normal and ordinary purpose.
- 8.1.2 CONTRACTOR's Warranty Period is, unless expressly stated otherwise in the PURCHASE ORDER, 24 months from DELIVERY. Parts which are replaced/repaired in accordance with CONTRACTOR's warranty liability, shall have a renewed warranty period equal to the original Warranty Period, however the length of the warranty for such parts of the WORK shall under no circumstances extend beyond 36 months after the commencement of the original Warranty Period.
- 8.1.3 CONTRACTOR's warranty liability and obligations are further detailed in Article 8.2.

### **8.2 DEFECTS AND NON-PERFORMANCE**



- 8.2.1 If, after DELIVERY, COMPANY discover that the WORK has a defect, COMPANY shall without undue delay notify CONTRACTOR thereof in writing.
- 8.2.2 After receiving notice from COMPANY under Article 8.2.1, CONTRACTOR shall without undue delay rectify such defect at his own cost. Rectification shall be performed at the place where the WORK is located, unless otherwise agreed in writing. Where CONTRACTOR is liable for a defect, CONTRACTOR is also liable for, and shall rectify, any damage caused by the defect.
- 8.2.3 Without prejudice to CONTRACTOR's liability, rectification of a defect shall be postponed upon COMPANY's request, provided that COMPANY has a justified reason for requiring such postponement.
- 8.2.4 If CONTRACTOR fails in any way to fulfil his warranty obligations according to the CONTRACT, COMPANY may:
- a) rectify or have the defect rectified by a third party, in which case CONTRACTOR shall bear all reasonable costs for the rectification,
  - b) demand DELIVERY of the wholly or partially completed WORK against a price reduction corresponding to the cost of completion for the remaining WORK, or the reduced market value of the unfinished WORK, whichever is higher, or
  - c) if the defect is substantial, terminate the CONTRACT with immediate effect and claim compensation for any direct loss or damage resulting from the termination.

## 9 – INTELLECTUAL PROPERTY RIGHTS

- 9.1 The results of the WORK, including without limitation the drawings, documents, specifications and other technical documentation and computer programs, developed by CONTRACTOR or its subcontractors in connection with the CONTRACT or otherwise arising out of the WORK, including but not limited to the DOCUMENTS, shall be the property of COMPANY, unless otherwise agreed between the parties. The same applies to all copies of such material.
- 9.2 Drawings, documents, specifications and other technical documentation and computer programs which were in CONTRACTOR's possession prior to entering into the CONTRACT shall, as between COMPANY and CONTRACTOR, be the property of CONTRACTOR.
- 9.3 CONTRACTOR shall grant to COMPANY an irrevocable, royalty-free, non-exclusive license to use all documents and inventions, which are under, or which prior to DELIVERY of the WORK come under, CONTRACTOR's control, to the extent necessary for COMPANY for the use, maintenance and repair of the GOODS and SERVICES.
- 9.4 In the event the GOODS or SERVICES require use of any software, CONTRACTOR shall grant COMPANY an irrevocable, royalty-free, non-exclusive license to use the software which are under, or which prior to DELIVERY of the WORK come under, CONTRACTOR's control, to the extent necessary for COMPANY and COMPANY's client to use, sell, develop, exploit, operate, maintain or repair the WORK.
- 9.5 CONTRACTOR shall indemnify and hold harmless COMPANY against any claims by third parties resulting from infringement of patent or other industrial property rights, in any jurisdiction, in connection with the WORK.

## 10 – INDEMNIFICATION AND INSURANCE

- 10.1.1 CONTRACTOR shall defend, indemnify and hold COMPANY GROUP harmless from and against any claim, howsoever arising, and regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of COMPANY GROUP, concerning:
- a) personal injury, including disease, to or loss of life of any employee of CONTRACTOR GROUP, and/or

- b) loss of or damage to the WORK prior to DELIVERY, and/or
- c) loss of or damage to any property of CONTRACTOR GROUP,

in so far as the same arises out of or in relation to the performance of the WORK

- 10.1.2 COMPANY shall defend, indemnify and hold CONTRACTOR GROUP harmless from and against any claim, howsoever arising and regardless of any form of liability whether strict or by negligence, in whatever form, on the part of CONTRACTOR GROUP, concerning:

- a) personal injury, including disease, to or loss of life of any employee or other person of COMPANY GROUP, and/or,
- b) loss of or damage to any property of COMPANY GROUP except as otherwise provided in Article 14.1,

in so far as the same arises out of or in relation to the performance of the WORK.

- 10.1.3 CONTRACTOR shall save, defend, indemnify, and hold COMPANY GROUP harmless, and COMPANY shall save, defend, indemnify and hold CONTRACTOR GROUP harmless from any and all liability for death, disease or injury to any third party and loss of or damage to any third party property and against all claims, losses, damages, costs and expenses (including legal fees) resulting therefrom, arising out of or in relation to the WORK and caused by the negligence or breach of duty of CONTRACTOR GROUP or COMPANY GROUP respectively.

- 10.1.4 COMPANY shall save, defend, indemnify and hold CONTRACTOR GROUP harmless from COMPANY GROUP's own consequential loss, and CONTRACTOR shall save, defend, indemnify and hold COMPANY GROUP harmless from CONTRACTOR GROUP's own consequential loss. This applies regardless of any liability, whether strict or by negligence, in whatever form, on the part of the other party. Consequential losses shall include but not be limited to:

- d) consequential or indirect loss under the applicable law of the CONTRACT,
- e) loss of earnings, loss of business opportunity, loss of profit, loss of use and loss of production to the extent that these are not included in a), and whether or not foreseeable at the date of the CONTRACT, as evidenced in the PURCHASE ORDER.

## 10.2 INSURANCE

- 10.2.1 CONTRACTOR shall maintain, and shall ensure that all subcontractors procure and maintain during performance of the WORK, at their own expense, all necessary insurances required for and adapted to his operations for the performance of the WORK, which shall include but not be limited to:

- a) Employers' liability insurance for coverage of loss in relation to illness, personal injury or accidental death, fully compliant with any legislation applicable for the execution of the CONTRACT,
- b) Liability insurance covering CONTRACTOR's liability under the CONTRACT, and
- c) Insurance of the WORK, as relevant.

- 10.2.2 CONTRACTOR shall make sure that their insurers waive all rights of subrogation and recourse against COMPANY and that COMPANY is named as co-insured under the relevant policies.

## 11 – FORCE MAJEURE

- 11.1 A party shall not be considered in breach of CONTRACT to the extent it is proven that the party was unable to fulfil its obligations under the CONTRACT due to FORCE

MAJEURE. Each party shall cover its own costs resulting from FORCE MAJEURE.

- 11.2** The party invoking force majeure shall notify the other party thereof in writing without undue delay. Such notice shall include the cause of FORCE MAJEURE, the presumed duration thereof and any measures which the party in question intend to implement to prevent or overcome the hinderance.
- 11.3** Each party is entitled to terminate the CONTRACT by written notice to the other party if a FORCE MAJEURE situation continues, or it is obvious that it will continue, for more than 60 DAYS.

## **12 – CANCELLATION**

- 12.1** COMPANY may, by notice to CONTRACTOR, cancel the CONTRACT for all or parts of the WORK with one month written notice. Following such cancellation, COMPANY shall not be liable to CONTRACTOR for any costs whatsoever, except costs already incurred in accordance with the CONTRACT and WORK already performed thereunder.

## **13 – TERMINATION**

- 13.1** COMPANY is entitled to terminate the CONTRACT with immediate effect by written notice to CONTRACTOR in the following circumstances:
- a) If CONTRACTOR is in substantial breach of the CONTRACT,
  - b) If CONTRACTOR enter into insolvency proceedings , becomes insolvent or suspends payments of any kind,
  - c) If there is a defect as described in Article 8.2.5 c),
  - d) If CONTRACTOR is unable to perform the WORK or the maximum liquidated damages payable according to Article 5.2.4 is reached, and
  - e) in the event of any breach by CONTRACTOR of any laws or regulations, or of rules on compliance and business conduct pursuant to Article 14.

## **14 – COMPLIANCE WITH LAWS AND BUSINESS CONDUCT**

- 14.1** CONTRACTOR shall uphold high standards of business ethics and responsible business conduct in the performance of the WORK. In this regard CONTRACTOR declares and warrants:

- a) that it has read and understood COMPANY's 'Code of Conduct' policy (the "Code of Conduct") and undertakes that CONTRACTOR and its directors, employees and suppliers shall comply with the principles contained therein; and
- b) that it has issued and implemented governance policies of equivalent or more stringent standard as the principles set forth in COMPANY's Code of Conduct, and undertakes to maintain and effectively enforce these provisions for the duration of the CONTRACT.

- 14.2** CONTRACTOR shall comply with, and shall ensure that CONTRACTOR's sub-contractors involved in performance of the WORK under the CONTRACT comply with, all applicable laws, regulations, rules, orders, judgments and codes relating to the performance of their obligations under the CONTRACT, including applicable anti-corruption and anti-money laundering laws, relevant human rights standards, international sanctions laws and data protection laws. Herunder, CONTRACTOR unconditionally agrees to respect and comply with:

- a) fundamental social and ethical criteria such as COMPANY's Corporate Social Responsibility (CSR) Policy and Anti Slavery Policy (available on COMPANY's web pages, <https://www.cosl.no/qhse>), as well as internationally recognised human rights that *inter alia* are enshrined in the International Bill of Human Rights (comprising the Universal Declaration of Human

Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights) and other key UN conventions such as the UN Convention on the Rights of the Child and the principles set out in the core International Labour Organisation (ILO) conventions on fundamental principles and rights at work, including but not limited to combating child labour (ILO Conventions 138 and 182), and the rights to freedom of association and collective bargaining (ILO Conventions 37 and 96). Said criteria represent minimum, not maximum standards. Where the criteria and applicable law and/or regulations address the same issue, the highest standard shall always prevail;

- b) all applicable anti-corruption laws and regulations, including but not limited to (i) national anti-corruption legislation applicable to CONTRACTOR, (ii) anti-corruption legislation applicable at the place where the WORK is performed, (iii) international anti-corruption legislation such as the UK Bribery Act (2010) and the US Foreign Corrupt Practices Act (1977), as amended, 15 U.S.C. §§ 78dd-1, et seq, and the Norwegian Penal Code chapter 30, sections 387, 388 and 389;
- c) all applicable and relevant economic or financial sanctions and export control laws, orders, executive orders, and/or regulations, trade embargoes, trade and export controls, import and export restrictions or quotas, prohibitions, restrictive measures and decisions imposed, administered, enacted and/or enforced by a relevant governing body, which for the purpose of this provision shall mean Norway, Singapore, the United Kingdom, the United States of America, the Member States of the European Union, and the United Nations, as well as any authority acting on behalf of these bodies in connection with sanctions; and
- d) all applicable data protection laws and regulations, including but not limited to the General Data protection Regulation (GDPR), Regulation (EU) 2016/679 or its equivalent.

- 14.3** In performing its obligations under the CONTRACT, CONTRACTOR shall:

- a) undertake a risk assessment to identify the key compliance risks specific to CONTRACTOR's business, and provide COMPANY with an overview of the key risks identified;
- b) identify, prevent or mitigate any potential or actual adverse human rights impacts resulting from its business operations, or that are directly linked to its products or services or its relationships with subcontractors, suppliers or other third parties;
- c) as soon as practicable, remediate any actual adverse human rights impacts it causes or to which it contributes or that are directly linked to CONTRACTOR's business operations, products or services. Even if CONTRACTOR did not cause or contribute to such impacts, it shall implement suitable measures to cease, prevent or mitigate the adverse impact(s); and
- d) immediately notify COMPANY if it has any grounds to suspect actual/potential infringement of human rights in its own business, in its supply chain or by its subcontractors.

- 14.4** In order to facilitate COMPANY's supply chain due diligence, CONTRACTOR shall, at CONTRACTOR's own expense and upon request from COMPANY, provide COMPANY with information and documentation relating to the suppliers, subcontractors and/or producers involved in the sourcing/production of the products or services subject to this CONTRACT.

- 14.5** COMPANY does not permit nor tolerate engagement in bribery or other forms of corruption (as proscribed by Article 14.2b) above). CONTRACTOR warrants, agrees and

undertakes that CONTRACTOR and its officers, directors, employees, agents, representatives and, to the best of its knowledge and beliefs, any sub-contractors and their contractors and sub-contractors, directly or indirectly involved in performance of the CONTRACT will not:

- a) offer, promise, pay, give, authorise, request or receive any bribes or facilitation payments ("grease" payments), or accept an offer thereof,
- b) offer, promise, pay, give, authorise, request or receive an improper advantage, or accept an offer thereof, in connection with a position, office or assignment, or
- c) participate or assist in any activity that could potentially be construed as bribery or corruption of any form in respect of the CONTRACT or services or transactions arising under the CONTRACT.

**14.6** COMPANY may at any time and, at its own cost and upon reasonable notice in writing, perform audits of CONTRACTOR to ensure compliance with the obligations under this Article 14. COMPANY may appoint a third party to perform such audits on its behalf. CONTRACTOR undertakes to cooperate with COMPANY in the performance of any such audits and comply with any and all reasonable requests made by COMPANY in respect thereof, including to provide access to locations, offices, information, individuals and documentation.

**14.7** CONTRACTOR shall ensure that any sub-contractor with whom CONTRACTOR enters or has entered into an agreement for supply or performance of any part of the WORK under the CONTRACT agrees to comply with provisions equivalent to the obligations and undertakings imposed on CONTRACTOR under the provisions of this Article 14, including audit rights as set out in Article 14.6 for the benefit of both COMPANY and CONTRACTOR

**14.8** CONTRACTOR shall, prior to engaging any sub-contractor for supply or performance of any part of the WORK under the CONTRACT, perform a reasonable and appropriate due diligence procedure with the purpose of assessing compliance with the obligations in this Article 14. CONTRACTOR shall also monitor compliance of any sub-contractor so engaged during the term of the CONTRACT.

**14.9** CONTRACTOR shall immediately notify COMPANY of any act or omission that may be perceived as a breach of this Article 14. In such event, CONTRACTOR shall give COMPANY access to all documents which, in the opinion of COMPANY, may be relevant in order to determine whether such breach has occurred.

**14.10** Without prejudice to any other rights of COMPANY under the CONTRACT or at law, COMPANY shall be entitled to terminate the CONTRACT with immediate effect upon a breach of any of the terms set out in this Article 14.

## **15 – SEVERABILITY**

**15.1** If any provision of the CONTRACT shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability shall not affect the other provisions of the CONTRACT and all provisions not affected by such invalidity and unenforceability shall remain in full force and effect. The parties agree to attempt to substitute, for any invalid or unenforceable provision, a valid or enforceable provision which achieves to the greatest possible extent, the economic, legal and commercial objectives of the invalid or unenforceable provision.

**15.2** Provisions of which either are expressed to survive its expiry or termination or from their nature or context, it is contemplated that they are to survive such expiry or termination shall remain in full force and effect notwithstanding such expiry or termination.

**15.3** A waiver of any breach of any of the terms and conditions of the CONTRACT shall not be construed as a waiver of any subsequent breach whether of the same or of any other term

or condition hereof. No waiver shall be valid unless made in writing.

**15.4** No failure or delay on the part of COMPANY to exercise any right or remedy under the CONTRACT shall be construed as a waiver thereof, nor shall any single or partial exercise by COMPANY of any right or remedy preclude any other or further exercise thereof or any other remedies made available for COMPANY.

## **16 – CONFIDENTIALITY**

**16.1** All information exchanged or otherwise transferred between the parties arising out of or in connection with the CONTRACT shall be treated as confidential and shall not be disclosed to any third parties without the prior written consent of the other party.

**16.2** A party may nevertheless make such information available to third parties provided that:

- a) the information was already known to that party at the time the information was received, or
- b) that the information is or becomes part of public domain other than through a fault of either of the parties, or is rightfully received from a third party without an obligation of confidentiality, or
- c) it is required due to applicable laws and regulations, provided however that disclosure of confidential information shall always be limited to the extent possible.

**16.3** Information may also be disclosed to third parties to the extent necessary for execution of the PURCHASE ORDER or utilization of the WORK, provided that the receiver of such information shall be bound by a confidentiality obligation similar to this Article 16 and subject to the prior written consent of the COMPANY.

**16.4** Without COMPANY's written consent, CONTRACTOR shall not issue any press release or otherwise advertise that the CONTRACT has been entered into.

## **17 – ASSIGNMENT**

**17.1** COMPANY is entitled to assign its rights and obligations pursuant to the CONTRACT, fully or partly, to any affiliate or third party. CONTRACTOR may not assign its rights and obligations pursuant to the CONTRACT without COMPANY's prior written consent. Such approval does not relieve CONTRACTOR from any of its obligations or liabilities under the CONTRACT.

## **18 – APPLICABLE LAW AND LEGAL VENUE**

**18.1** The CONTRACT shall be governed by and construed in accordance with Norwegian law.

**18.2** Disputes arising out of or in connection with the CONTRACT shall, unless otherwise agreed between the parties, be subject to court proceedings with Sør-Rogaland District Court as legal venue