

## General terms and conditions for purchase

### 1. DEFINITIONS

“General Terms” means these general terms and conditions for purchase.

“Goods” means materials, equipment, documentation and other goods to be delivered by the Supplier to IOT pursuant to a Purchase Order.

“IOT” means Independent Oil Tools AS and its subsidiaries at any time.

“Price” means the total price of a Purchase Order, as originally set out or later amended.

“Purchase Order” means a purchase order issued by IOT for Goods or Services, and for which these General Terms is an integrated part.

“Services” means services to be provided pursuant to a Purchase Order.

“Supplier” means a supplier of Goods or Services to IOT pursuant to a Purchase Order.

### 2. ORDER AND ORDER CONFIRMATION

Purchase Orders shall be issued by IOT. The Supplier shall confirm the Purchase Order within two (2) business days as of receipt. Divergent terms and conditions of the business of the Supplier shall only be valid and applicable if specifically accepted by IOT in writing.

The Supplier shall before start of production use its professional skills to search for possible faults and omissions in the Purchase Order, including, but not limited to, drawings, materials, design etc. provided by IOT. The Supplier shall immediately notify IOT in writing if such faults and omissions are discovered.

### 3. QUALITY ASSURANCE AND CONTROL

Supplier shall have, and shall see to that its subcontractors have an established and documented Quality, Health, Safety and Environment (QHSE) system and quality assurance system in accordance with applicable law and the ISO 9002 or or equivalent standards. If design or engineering is included in the delivery, ISO 9001 or equivalent shall be required.

### 4. DELIVERY AND TITLE

Unless otherwise set forth in the relevant Purchase Order, delivery shall be carried out Monday through Friday, within normal business hours, in accordance with DDP, Delivered Duty Paid (in accordance with Incoterms 2020) at the time and place indicated by IOT in the Purchase Order. Title and the risk of loss or damage shall pass upon delivery.

The Goods shall be delivered free of any liens, properly packed and marked in accordance with the requirements in the Purchase Order.

If the Supplier has reason to believe that delivery of the Goods will be delayed, IOT shall immediately be informed thereof in writing. IOT may instruct measures to be taken in connection therewith. If delivery of the Goods has not taken place within the time of delivery set out in the Purchase Order, IOT has the right to liquidated damages in an amount equal to 0.5% of the Price per day until delivery occurs. The Supplier's cumulative liability for liquidated damages is limited to 15% of the Price.

### 5. VARIATIONS

IOT has the right to order variations in quality, quantity or time of delivery of the Goods. Variations shall be requested by IOT in writing. The variation order shall upon IOT's written request be implemented, even if the parties have not reached agreement concerning the effects of the variation on Price, time of delivery and technical specifications.

### 6. DOCUMENTATION

Delivery tickets and invoice shall be in accordance with the Purchase Order. All certificates and similar documentation shall clearly identify the specific items to which they relate. All documentation specified in the Purchase Order, e.g. certificates, drawings, data-discs are considered to be part of the Goods.

### 7. TERMS OF PAYMENT

Unless otherwise specifically set out in the Purchase Order, IOT shall pay all invoices within sixty (60) days after receipt of correct invoice, provided that all of the Supplier's obligations according to the Purchase Order are fulfilled. IOT has the right to withhold any disputed amounts. All prices are inclusive all taxes, import duties, VAT etc.

### 8. CANCELLATION

IOT has the right to cancel the Purchase Order by giving written notice to the Supplier. IOT shall in such event pay to Supplier the unpaid amount due for the work already performed with respect to the Goods and Services and in addition all direct costs reasonably incurred by Supplier due to cancellation.

### 9. DEFECTS AND GUARANTEES

The Supplier guarantees, for a period of twenty-four (24) months following the date when the Goods are taken into use in accordance with its intended purpose, that the Goods and Services conform to the specifications in the Purchase Order and to any relevant public regulations, and that engineering performed by the Supplier is suitable for its intended purpose and that the Goods are free of fault in material, workmanship, design and function.

If the Goods are found to be defective during the guarantee period, Supplier shall at his own cost immediately remedy the defects. If the Supplier is not able to remedy a defect within

reasonable time after receipt of IOT's notification, IOT has the right to have this work done by itself or by third parties, for the Supplier's account. If the defects are material and may not, in IOT's opinion, be corrected within reasonable time, IOT has the right to either require redelivery, reduction in the Price, or terminate the Purchase Order according to Article 11.

If any guarantee work is performed in the guarantee period, any replaced/repared parts of the Goods shall be guaranteed by the Supplier for a renewed period with the same duration as the original guarantee.

**10. TERMINATION DUE TO DEFAULT BY THE SUPPLIER**

IOT has the right to terminate the Purchase Order with immediate effect by giving written notice to Supplier, if (i) the Supplier becomes insolvent, (ii) the Supplier is in material breach of its obligations hereunder, or (iii) the Supplier has become liable for maximum liquidated damages pursuant to Article 4.

In addition to termination of the Purchase Order, IOT is entitled to recover from the Supplier any costs, losses or damages suffered by IOT due to such termination.

**11. INDEMNITY, LIABILITY**

The parties shall mutually indemnify and hold each other harmless from all loss or damage to their respective property and personnel that may arise in connection with the Purchase Order. This shall apply irrespective of how the loss or damage is caused. Neither IOT nor the Supplier shall be liable for any consequential or indirect losses.

The Supplier shall indemnify IOT and hold it harmless against all loss or damage caused to third parties by the Supplier, including any claims for intellectual property right infringement.

The Supplier shall be exclusively liable for all income, sales, use, payroll and other taxes, customs, excise, and import duties and other fees levies and charges incurred by the Supplier, or its subcontractors or their employees with respect to the Purchase Order. The Supplier shall indemnify and hold IOT harmless from any expense, claim, liability or obligation with respect to such amounts.

The Supplier shall be able to demonstrate to IOT that it has taken out reasonable insurance coverage for the above liabilities and indemnities.

**12. INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY**

In so far as any Purchase Order, as whole or in part, contains design work or the development of software, all results of such performances shall be the exclusive property of IOT.

Drawings, specifications, and other information or documentation provided by IOT to Supplier shall remain the property of IOT and shall not be disclosed to any third party without IOT's prior written approval. IOT may require the

Supplier to execute a separate declaration of confidentiality to this effect.

**13. GOVERNING LAW AND DISPUTES**

The Purchase Order shall be governed by and construed in accordance with the laws of Norway.

Any disputes that may arise from the Purchase Order shall be subject to the exclusive jurisdiction of the Norwegian courts with Stavanger District Court as agreed venue.

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