

Lyse - General terms and Conditions for purchase of Services

3rd of January 2018

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1 GENERAL PROVISIONS

1.1 General

These General terms and conditions for purchase of Services stipulated herein cannot be deviated from in provisions that the Contractor has incorporated into or referred to in an order confirmation or otherwise, except by specific written consent from Customer.

The Contract is a non-exclusive agreement.

1.2 Definitions

Contract shall mean the purchase order (PO) issued by Customer and/or the Form of Agreement signed by the parties, these General terms and conditions for purchase of services and any appendices, agreed amendments or variations to said documents.

Contractor shall mean the contractor that performs the Services.

Customer shall mean the company in the Lyse-group defined as part in the Form of Agreement and/or in purchase order (PO) for the Services.

Lyse-group shall mean Lyse AS and any companies in which Lyse AS, directly or indirectly, holds fifty (50) per cent or more of the company capital.

Services shall mean all services to be performed by Contractor pursuant to the Contract.

1.3 Contract documents

In the event of conflict between the Contract documents they shall have priority in the order listed below:

- Purchase Order (PO)
- Form of Agreement
- These General terms and conditions for purchase of Services
- The appendices in the order listed in the Purchase Order (PO) or Form of Agreement

1.4 Communication

All notices, permissions, claims, instructions, consents, approvals and other information to be given in accordance with the provisions of the Contract shall be in writing and shall be submitted to the other party's appointed representative by letter or electronic mail.

1.5 Severability

If any provision of this Contract is declared invalid or unenforceable by the courts of any jurisdiction to which it is subject such invalidity or unenforceability shall not prejudice or affect the validity or enforceability of the remaining provisions of the Contract. Notwithstanding the foregoing, the parties shall negotiate in good faith in order to agree the terms of a mutual satisfactory provision to be substituted for the provision so found to be invalid or unenforceable.

2 GENERAL OBLIGATIONS OF CONTRACTOR

Contractor shall perform the Services with that degree of skill, care, diligence and good judgement normally exercised by prudent, competent and properly qualified professional entities/individuals performing work of the same or similar nature. In addition, the Services shall in all respects meet the requirements of the Contract, and shall be of high quality, incorporating first class workmanship and be fit for its intended purpose as stated in, or as may reasonably be inferred from, the Contract.

Contractor shall perform the Services in compliance with applicable laws and regulations. Contractor shall obtain and maintain all official permits necessary to perform the Services, and shall whenever requested by Customer produce documentation showing that necessary permits have been obtained. Contractor shall report to the

Central Office for Foreign Tax Affairs Norway (COFTA) in accordance with the provisions of the Norwegian Tax Assessment Act (Ligningsloven) and directives, if foreign labor or subcontractors are used.

Contractor shall not assign any part of the Services to subcontractors without Customer's consent. Such consent does not relieve Contractor from any liability or obligation pursuant to the Contract, and Contractor shall be responsible for the acts or omissions of any of its subcontractors.

Contractor shall have a satisfactory system for HSE and quality management suitable for the Services. Customer may carry out, and Contractor shall assist in carrying out, audits at Contractor's or any subcontractors' premises of the performance of the Services as well as its system for HSE and quality management.

Contractor shall not be deemed to be the employer of Contractor's personnel, even if such personnel are performing all or parts of the Services in co-operation with Customer. Contractor shall indemnify Customer for any salary payment claims and any claims from any authorities related to such personnel.

If the Contract appoints key personnel in Contractor's organisation, such personnel shall be closely involved in the performance of the Services and not be replaced without Customer's prior approval. Such approval shall not be unreasonably withheld.

Contractor shall, at his own expense, immediately replace personnel who in Customer's reasonable opinion conduct themselves in an improper manner or are unsuitable to perform the Services.

When work is carried out at Customer's premises, Contractor shall comply with any rules in force relating to safety, confidentiality and working conditions. Customer will, upon Contractor's request, inform Contractor of such rules.

3 PROGRESS

Contractor shall perform the Services in accordance with the contract schedule, or with reasonable progress and without unnecessary interruptions if no contract schedule has been drawn up.

Contractor shall immediately notify Customer of any delay in the performance of the Services. Such notice shall state the reason for the delay, the effect on progress of the performance of the Services and a proposal as to how the delay can be minimised.

When Contractor considers the Services as completed, he shall notify Customer. Within a reasonable time after receiving such notice, Customer shall either accept the Services as completed, or declare that the Services are not accepted as completed and the reason for that.

4 VARIATIONS, SUSPENSION AND TERMINATION

4.1 Variations

Customer may require variations with regard to the quality and/or the quantity of the Services, either additions or omissions, as well as changes to the progress of the performance of the Services.

If Contractor considers that a variation is required, Contractor shall without undue delay notify Customer of the reason for the variation.

Any variation shall be approved by Customer by means of a written variation order before Contractor initiates the variation work.

When Customer requires a variation, Contractor shall without undue delay submit a confirmation describing the variation work together with an estimate of any effects on the contract price and the progress of the performance of the Services.

Compensation for variation work shall be in accordance with the prices and rates contained in the Contract, or otherwise in accordance with the general level of pricing in the Contract. If a variation entails cost saving for Contractor, Customer shall be credited accordingly.

If the parties disagree as to the amount to be added to or deducted from the contract price or any other

consequences of a variation, Contractor shall implement the variation work without awaiting the final outcome of the dispute.

4.2 Temporary suspension

Customer may temporarily suspend the performance of the Services or any part thereof by notice to Contractor. Following such notification Contractor shall without undue delay inform Customer of the effects the suspension will have on the performance of the Services. Contractor shall resume the performance of the Services immediately upon notification by Customer.

The Contractor may with written notification terminate the Contract if the suspension period last more than 90 calendar days.

During the suspension period, Customer shall only be liable to compensate Contractor for documented and necessary expenses incurred by Contractor in connection with demobilisation and remobilisation of personnel.

4.3 Termination without cause

Customer may terminate the Services or any part thereof with immediate effect, by notice to Contractor.

Following such termination, Customer shall only be liable to pay the unpaid balance due to Contractor for that part of the Services already performed, and cover documented and necessary expenses incurred as a direct result of the termination.

5 PAYMENT

Unless otherwise agreed, all prices are in norske kroner (NOK) exclusive of Value Added Tax and payment shall be made within 45 days after receipt by Customer of a correct invoice.

The Contractor shall not invoice Customer for any additional charges or other expenses (e.g. invoice fee, administration fee etc).

Unless otherwise agreed, all invoices and credit notes shall be made in accordance with e-invoice standard EHF. The Contractor may submit EHF e-invoices from www.pagero.com/nb/projektsidor/lyse/ if EHF is not supported by Contractor's system.

The purchase order number and other agreed references shall be quoted on all invoices which shall also clearly indicate what the invoiced amount relates to. Customer is entitled to return invoices that do not meet these requirements.

If it has been agreed that Contractor shall provide a bank guarantee, Customer shall not be obliged to make any payments prior to receipt of such guarantee.

Customer is entitled to deduct any prepayments or claims Customer may have against Contractor's invoices. Furthermore, any disputed or insufficiently documented amounts, as well as any amounts owed by Contractor to Customer or other companies in the Lyse-group may be set-off against Contractor's invoices.

Contractor shall submit a final invoice within 45 days after Customer has given notice accepting the Services as completed. The final invoice shall include all claims to be made by Contractor under and pursuant to the Contract. Claims not included in the final invoice cannot be submitted later.

Failure by Contractor to provide documentation evidencing that payment of taxes and other levies have been paid in accordance with applicable law shall entitle Customer to withhold payment until Contractor either produces such documentation, or provides security satisfactory to Customer for the payment of such taxes and levies. Customer may recover from Contractor at any time any liability incurred by Customer as a consequence of Contractor's failure to pay the required taxes and levies.

Customer is entitled to audit at Contractor's premises all payments for reimbursable work for up to two years after receipt of the final invoice.

6 BREACH OF CONTRACT**6.1 Delay**

Delay exists when Contractor fails to comply with the time limits stated in the Contract, unless the delay is caused by Customer, in which event the time limits shall be extended by the period of delay caused by Customer.

Customer shall be entitled to claim compensation from Contractor for losses suffered by Customer due to delay. Such compensation is limited to direct losses incurred by Customer, unless Contractor, or someone Contractor is responsible for, has acted with gross negligence or wilful misconduct.

6.2 Defects, errors etc.

Contractor is liable for any defects, errors etc. ("defect") in the Services pursuant to this Article 6.2. Customer shall issue a notice of defect within reasonable time following discovery of any defect and in no event later than 24 months after Customer has accepted the Services as completed. The same time limit applies in respect of rectification work, calculated from the time the rectification work was completed. The time limit for making a notice of defect does not commence until rectification work or other activities necessary to comply with the contractual requirements have been satisfactorily performed.

If Customer notifies Contractor of a defect, Contractor shall commence rectification of the defect without undue delay. The rectification work shall be postponed upon Customer's request provided that Customer has a justified reason for requiring such postponement. Rectification work shall be performed for Contractor's account.

If Contractor fails to remedy the defect within a reasonable time, Customer shall be entitled to remedy the defect itself or to employ a third party to do so for Contractor's risk and account, or to reduce the contract price accordingly.

Customer shall be entitled to claim compensation for losses suffered due to defects. Such compensation is limited to direct losses incurred by Customer, unless Contractor, or someone Contractor is responsible for, has acted with gross negligence or wilful misconduct.

6.3 Termination

Customer is entitled to terminate the performance of the Services with immediate effect by notifying Contractor if:

- a) it is evident that completion of the Services will be delayed by more than 1 month, or
- b) Contractor is in substantial breach of the Contract and has not remedied such breach within 7 days after Customer's notification, or
- c) Contractor becomes insolvent or unable to pay its creditors, or
- d) there are repeatedly or substantial deviations from the instructions according to the Contract.

Upon termination, Customer is entitled to take over from Contractor the results of the Services which have been performed at the time of termination and other documents and rights necessary to enable Customer to complete the Services, either by itself or with assistance from others.

Contractor shall be liable for losses suffered by Customer as a result of the termination, limited to direct losses incurred by Customer, unless Contractor, or someone Contractor is responsible for, has acted with gross negligence or wilful misconduct.

6.4 Indemnification

Customer and Contractor shall indemnify each other from and against any claim concerning bodily injury or loss of life of any of its personnel or someone the party is responsible for, arising in connection with the Contract.

As to claims arising out of bodily injury, loss of life or loss of or damage to any third party property or

loss of or damage to one of the party's property in connection with the fulfilment of the Contract, the party causing such claim shall indemnify the other party from and against all costs associated therewith.

Contractor shall indemnify Customer in respect of all claims brought against Customer if the performance or result of the Services constitutes an infringement of third party patent rights or other intellectual property rights.

7 FORCE MAJEURE

Force majeure 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 it or overcome its consequences.

A party shall not be considered in breach of the Contract to the extent it is proven that he was unable to fulfil his contractual obligations due to force majeure. Each party shall cover its own costs resulting from force majeure.

The party invoking force majeure shall notify the other party thereof without undue delay. Such notice shall also include the cause of the delay and the presumed duration thereof.

Each party is entitled to terminate the performance of the Services if the force majeure situation continues, or it is obvious that it will continue, for more than 60 days.

8 INSURANCE

Contractor shall procure and maintain at his own expense personnel insurance for Contractor's and its subcontractor's personnel which shall cover losses connected to illness, personal injury or accidental death to the extent required by applicable laws.

Contractor shall procure and maintain at his own expense professional indemnity insurance and liability insurance adapted to Contractor's operations and the nature of the Services. Unless otherwise agreed, the amount of insurance coverage for each occurrence of damage shall be minimum 10 MNOK.

Whenever requested by Customer, Contractor shall provide insurance certificates documenting that such insurances have been procured and maintained.

9 PROPRIETARY RIGHTS. CONFIDENTIALITY**9.1 Proprietary rights**

The results of the Services as and when it is performed are the sole property of Customer. All reports, drawings, specifications and similar documents, including computer programs prepared in connection with the Services constitute part of the results of the Services.

This provision does not give Customer proprietary rights to Contractor's design, technology, know-how, patents, etc. developed independently of the Contract. Customer shall be granted an irrevocable, royalty-free and non-exclusive right to use such rights which are necessary for the completion, use, operation, maintenance, repair and modification of the results of the Services or of the product to which the Services is related.

9.2 Confidentiality

All information exchanged or otherwise transferred between the parties shall be treated as confidential and shall not be disclosed to any third parties without the consent of the other party.

A party may nevertheless make such information available to third parties provided that the information was already known to that party at the time the information was received, or 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 it is necessary due to applicable laws and regulations.

Information may also be disclosed to third parties to the extent necessary for execution of the Contract or use of the results of the Services or of the product to which the Services is related, provided that the receiver of such information shall be bound by confidentiality obligations similar to this Article 9.2. Without Customer's consent, Contractor shall not issue any press release or otherwise advertise that this Contract has been entered into.

Article 9.2 shall continue to apply after expiry or termination of the Contract. Employees or others who leave the service of either Party shall continue to be bound by the duty of confidentiality after they have left.

Without prejudice to the above, the Customer is entitled to disclose the Contractor's confidential information to any company affiliated to the Lyse-group, any partner and/or any third party providing services to the Customer, insofar as the information relates to the Services under the Contract.

10 ETHICS

Contractor shall adhere to applicable laws and regulations and internationally recognised standards regarding ethics, anticorruption and human rights.

Contractor shall adhere to Customer's applicable procedures and guidelines regarding ethics. Customer shall, if requested by Contractor, inform about such procedures and guidelines.

11 DECLARATION OF NEUTRALITY ("Nøytralitetserklæring")

This Article 11 is only applicable if the Services includes work for Lyse Elnett AS.

Contractor shall perform the Services for Lyse Elnett AS neutrally and without a discriminating behaviour. The Contractor shall keep itself informed and shall comply with the "Forskrift om måling, avregning og samordnet opptreden ved kraftomsetning og fakturering av netjenester § 8-1 a) " and Lyse Elnett AS internal policies regarding neutrality.

Customer is entitled to claim damages and to terminate the Contract with immediate effect if Contractor is in breach of its obligations to this Article 11.

12 ASSIGNMENT OF THE CONTRACT

Customer is entitled to assign his rights and obligations pursuant to the Contract, fully or partly, to any third party. Contractor may not assign his rights and obligations pursuant to the Contract without Customer's consent.

13 DATA PROCESSOR AGREEMENT

If the Contractor processes personal data on the behalf of the Customer in connection with this Contract, the Contractor is obliged to sign the Customer standard data processor agreement when this Contract is concluded.

14 APPLICABLE LAW AND LEGAL VENUE

The Contract shall be governed by and interpreted in accordance with Norwegian law.

Disputes arising in connection with or as a result of the Contract shall be decided by the ordinary courts of law. Each of the parties hereby accepts Stavanger District Court as the legal venue for such action.
