

First issued date: 5.12.2006

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PURPOSE: To describe the general purchase conditions for Agile Rig & Modules
OWNER: Manager Corporate services
APPROVED: Manager Corporate services 2.10.2019
RESPONSIBLE: Manager corporate services
WHEN: During purchase of goods or services from suppliers.
ISO REF: -
FILE REF: G:\Apply O&G\HSE&Q\5 - ARKIV\5-31 - HMSK SYSTEM ORIGINALER\2-2-KONTRAKT_ØKONOMI\2-01_E_Purchase_Conditions.docx



1. General

The following purchase conditions apply between Agile Rig & Modules AS and the supplier of any order, unless otherwise agreed in writing between the parties. These conditions are in accordance with the Law of purchase of 13. May 1988.

2. Definitions

ARM as used below means Agile Rig & Modules AS, Moseidveien 17, Forus Nord Vest 4033 Stavanger.

Supplier means the person or company for whom the order is issued.

Bookings mean all documents and data as well as any audits that are affected by the order.

3. Acceptance of order

General Conditions

These general terms and provisions are included as part of the order. Any exceptions or changes to the provisions of this document that the supplier may claim, will be considered a rejection and ARM reserves the right to regard the order as cancelled.

Order Confirmation

If the supplier has not returned the order confirmation within 10 days of receipt order, ARM reserves the right to cancel the order.

ARM has at all time the right to change the order by written reports to the supplier. The supplier is obligated to notify ARM if the changes will affect the price and delivery within 5 business days.

4. Delivery

Terms and Conditions

The deliveries must take place in accordance with the Delivered Duty Paid (DDP) - Moseidveien 17, Forus Nord Vest according to Inco terms 2010, unless otherwise is specified in the order.

Delivery location is normally specified in the order. In cases where the delivery location is not specified, the supplier shall request written confirmation of delivery location prior to transport.

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Postponement of Delivery

Delivery date can be changed only by agreement with the ARM or by force majeure. If the supplier claims force majeure, any evidence shall be presented in accordance with Section 10, second paragraph.

5. Quality Control and HSE (QHSE).

Requirements QHSE system

The supplier shall have implemented a documented system for quality management according to EN ISO 9001 or equivalent. Also, the supplier is responsible for having implemented and documented a system for health, safety and environment according to authority requirements. The supplier should implement an environmental management system according to EN ISO 14001 or equivalent.

Products and articles, where this is required, shall be marked with the letters CE. Deliveries to ARM shall be according to RoHS directive 2011/65/EU.

Deliveries to ARM shall not contain:

- Lead
- Mercury
- PCB
- Asbestos
- Organic tin compounds
- Other substances or compounds in concentrations or applications that are contrary to product regulation.

Verification and inspection

ARM reserves the right to conduct audits and verification of the suppliers quality and/ or environmental management.

ARM reserves the right to access production and test sites. During production and testing, ARM can dispose products and materials that are not in accordance with the requirements and specifications. Such disposal shall not form the basis for increasing the final product price.

6. Documentation

As a minimum, the following documents have to be attached to all shipments:

- All relevant drawings
- PLS program – if the delivery contains this.
- Certificates
- Authority approvals
- Original certificate if the item is originally from a country outside the EU/EEC.
- Documents and certificates in accordance with the order.
- All documentation required according the order are considered the property of ARM.

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7. Liability

Delays

It is the obligation of the seller to notify ARM immediately if the agreed delivery time cannot be met. It is considered the supplier's responsibility to collect the delay. Due to delay because of gross negligence, ARM has the right to claim compensation for both direct and indirect losses. Upon delays, ARM can claim all or part of the delivery for the completion by another supplier.

Violation of contract

ARM has the right to cancel the order with immediate effect where delivery is delayed by more than 15 % of the time period from ordering to delivery, or 120 days – whichever is the shorter time of period.

With significant violation of contract by the supplier, the order will be cancelled with immediate effect.

Flaws

If the delivery is not in accordance with the order, the supplier shall immediately and at his own expense make necessary improvements; including covering any return shipment charges.

If the supplier is unable to improve any flaws himself, ARM has the right to correct the defect themselves or through third parties. In this case, the supplier shall cover the necessary costs. If the delivery has significant flaws of a type that cannot be repaired within a reasonable time, ARM can cancel the order and claim compensation.

If the supplier is unable to provide the necessary documentation and certificates in accordance with authority requirements or order, ARM can cancel the order.

8. Guarantee

The supplier guarantees the production of the purchased item and that this corresponds to the drawings, data sheets and specifications. The supplier also guarantees the quality of the materials included in the purchased object, and that these are suitable for the intended purpose.

The warranty period expires after the bought item is used for the intended purpose for a year, but is limited to two years after delivery.

The supplier is obliged to provide the same warranty as to the product, which ARM must provide to their end customers.

9. Payment

Payment will be made 60 days from received correct invoice and completed delivery. Only one invoice per order will be accepted, unless otherwise agreed. Invoice address: fakturamottak@agilerig.no

The delivery is considered the property of ARM when delivery and payment has occurred in accordance with the agreement.



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Bankruptcy, composition or similar.

If the supplier is declared bankrupt, undertake compromise negotiations or stops their payments, ARM can without notice revoke the order by written notice to the estate or similar. ARM will, for a fee, be able to take over that part of the supplier's production that relates to ARM orders.

10. Force majeure

In this context, force majeure is considered as natural disasters, strikes, riots and acts of war that prevents the execution of the order of normal conditions.

If either party claims to force majeure, the other party is to be informed immediately in writing about the obligations under the order that cannot be met. The party that invokes force majeure shall document the force majeure if the other party requires it.

11. Disputes

Any disputes concerning this agreement and not resolved amicably by negotiations shall be settled by arbitration in Stavanger and in accordance with Norwegian law.

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