



Oceaneering 's General Conditions Purchasing

1.0 INTRODUCTION

- 1.1 These General Conditions are valid unless otherwise agreed in writing between the parties.
- 1.2 Diverging conditions stipulated by the Supplier shall have no effect unless distinctly confirmed by the Purchaser.
- 1.3 The Price agreed upon by the Parties comprises the total delivery, ref. Art. 5.2 and 7.3. The price is fixed if not otherwise agreed and net of any Value Added Tax.

2.0 DEFINITIONS

- 2.1 "Purchase Order" means these General Conditions, the Purchase Order format and other documentation which is specified in the Purchase Order.
- 2.2 "Goods" means all services, materials, equipment, documentation and other that shall be delivered from Supplier to Purchaser, to fulfil the requirements in the Purchase Order.
- 2.3 "Purchaser" means Oceaneering as.
- 2.4 "Supplier" means the company or the person stated on the front page of the Purchase Order.
- 2.5 "Price" means the total amount due to Supplier in accordance with the provisions of the Purchase Order.

3.0 PURCHASE ORDER AND ACKNOWLEDGEMENT

- 3.1 All Purchase Orders shall be issued by Purchaser using the format referred to in Art.2.1. Supplier shall without undue delay confirm the Order in writing.
- 3.2 Supplier shall acknowledge the order by signing the Purchase Order within 14 days after receipt. If this acknowledgement is not received by Purchaser, Purchaser may decide to act according to Art.13.1.
- 3.3 Supplier shall upon receipt of Purchase Order use its professional skills to search for defects, deficiencies and other faults, omissions and inconsistencies (errors) in all documentation referred to in Art. 2.1 before start of production. Supplier shall immediately notify Purchaser in writing if such faults and omissions are discovered.

4.0 QUALITY ASSURANCE AND CONTROL

- 4.1 Supplier shall have an implemented and documented quality assurance system in accordance with ISO 9000 or equivalent.
- 4.2 Purchaser has the right but not the obligation to make the verifications, inspections and tests, including audits, at Supplier's and subcontractor's facility, in order to satisfy itself that the Goods will be manufactured according to the requirements in the Purchase Order. Purchaser can either do the work itself, or through third party given the necessary authority. Supplier and if applicable subcontractor are obliged to assist in connection with inspections and tests without any cost to Purchaser and shall also present all issued Test Reports, Material Certificates, Calculations etc. upon Purchaser's demand.
- 4.3 If faults and omissions are pointed out as a result of inspections/tests Supplier shall without delay rectify these at its own cost.
- 4.4 The above mentioned inspections and verifications carried out or not do not exempt Supplier from any risk or the responsibility to deliver the Goods in accordance with the Purchase Order.
- 4.5 Supplier shall verify that any subcontractor to the Purchase Order has an implemented and documented quality assurance system.
- 4.6 Supplier shall not assign the Purchase Order or subcontract any part of same without Purchaser's prior written approval.

5.0 DELIVERY

- 5.1 The Goods shall be delivered properly packed and marked in accordance with the requirements in the Purchase Order. The Goods shall be delivered duty paid (DDP) at the

correct place within the agreed time of delivery. Necessary packing is part of the Purchase Order. Unless otherwise set forth in the Purchase Order, the terms of delivery shall be interpreted in accordance with the latest revision of Incoterms.

- 5.2 Part deliveries will not be accepted and can not be deemed to be partial fulfilment of Suppliers delivery obligations, unless agreed upon in writing.
- 5.3 If Supplier has reason to believe that the Goods are to be delayed, Supplier shall immediately inform Purchaser in writing. Such notice shall include the reason for and the extent of the delay and shall state the corrective actions initiated to reduce the delay. If Supplier's corrective actions are not sufficient, Purchaser may require that Supplier takes additional measures. All costs will be for Supplier's account.
- 5.4 If Supplier according to the Purchase Order is responsible for installation, start up, function testing or similar the delivery shall not be deemed to be fulfilled before the installation, start up and tests are carried out and accepted by Purchaser.

6.0 VARIATIONS

- 6.1 Purchaser has the right to order variations in quality, quantity or time of delivery provided that these variations do not exceed what the parties could reasonably expect when the Purchase Order was signed.
- 6.2 Agreed variations shall be confirmed by Purchaser in writing. Supplier must within 14 days confirm any effects on price, time of delivery and technical specification. If Supplier does not issue such notice, it will be considered as an acceptance without any effects and this will be reflected in the Variation Order.
- 6.3 The cost effect or saving of the variations shall be calculated in accordance with the cost and profit level of the original Price. The Variation Order shall upon Purchaser's request be implemented, even if the parties have not reached an agreement concerning the effects on the Price.

7.0 DOCUMENTATION

- 7.1 Delivery note/invoice shall be in accordance with the Purchase Order. These documents shall correspond with the Purchase Order regarding item number, description and specification.
- 7.2 The Goods shall be marked in accordance with the delivery note and instructions in the Purchase Order. If a shipment contains several parcels, each parcel shall have a specified table of content.
- 7.3 All documentation specified in the Purchase Order, e.g. certificates, drawings, data discs are considered to be part of the Goods.
- 7.4 Certificate of origin and customs documents shall be sent to Purchaser or others as specified for Goods originating from EC of EFTA countries. Costs incurred by Purchaser due to lack of these documents will be deducted in the Price payable to Supplier.

8.0 TERMS OF PAYMENT

- 8.1 Purchaser shall pay the invoice within 45 days after receipt of correct invoice. Supplier is not entitled to issue an invoice before all obligations against the Purchase Order are fulfilled. Purchaser has the right to withhold disputed amounts. The rights to receive payment can be annulled if the Supplier fails to send an invoice within 3 months from delivery.
- 8.2 If the Goods are delivered before agreed time of delivery the time allowed for payment will start from the agreed time of delivery.

- 8.3 If undisputed amounts are paid late, Supplier shall be entitled to charge interest. Such interest shall be paid on a day to day basis on the amount outstanding at the rate of 3% above 3 month Stibor or Nibor whichever is applicable.
- 8.3 Invoice shall be marked with Purchaser's Purchase Order number.

9.0 CANCELLATION

- 9.1 Purchaser has the right to cancel this Purchase Order by giving written notice to Supplier.
- 9.2 Purchaser shall in such event pay to Supplier the unpaid amount due for the work already performed on the Goods and in addition all direct cost incurred by Supplier due to the cancellation.

10.0 DEFECTS, CLAIMS - SUPPLIER'S GUARANTEE

- 10.1 Supplier guarantees that the delivery is free from faults and omissions and that the Goods conform to the specifications in the Purchase Order and to any public regulations and that engineering performed by Supplier is suitable for its intended purpose.
- 10.2 Purchaser shall examine the Goods at his earliest convenience after delivery. If any defects are found, Purchaser shall notify Supplier in writing immediately.
- 10.3 If the Goods are found to be defective during the guarantee period, Supplier shall at own cost immediately remedy the defects or redeliver the Goods. If Supplier is not able to remedy a defect within reasonable time after receipt of Purchaser's notification, Purchaser has the right to have this work done by itself or by third parties. All costs shall be for Supplier's account.
- 10.4 If major defects are found in the Goods and these according to Purchaser's opinion can not be corrected within reasonable time, Purchaser can either require reduction in the Price or choose to handle the case according to Art.13.1.
- 10.5 The guarantee period expires 18 months from the date when the Goods are taken into use for its purpose, but limited to maximum 24 months from the date of delivery.
- 10.6 If any guarantee work is performed in the period given in Art. 10.5, replaced/repaired parts shall receive renewed guarantee for the same period as the original guarantee. If the goods are out of operation due to replacement or repair, the guarantee period shall be extended accordingly.

11.0 BANK GUARANTEE

- 11.1 When manufacture is included in the Goods, Supplier shall at own cost and if requested by Purchaser submit a guarantee equal to 10% of the Price. The guarantee shall be issued by a bank approved by the Purchaser and shall be valid during the guarantee period, ref. Art.10.5 and 10.6.

12.0 SUPPLIER'S DELAY

- 12.1 If delivery of the Goods has not taken place within the agreed time of delivery or it is obvious that such a delay will occur, Purchaser has the right to terminate according to Art. 13.1 or uphold the Purchase Order. Purchaser is always entitled to terminate according to Art. 13.1 if maximum penalty according to Art. 12.2 is reached or it is obvious that the delay will result in maximum penalty.
- 12.2 Purchaser is entitled to claim a penalty for delay if the delay is not caused by Purchaser or by someone it is responsible for or delivery has been prevented by Force Majeure. Unless otherwise agreed in writing this penalty shall be 0,75% of the Price per day for the duration of the delay limited to 15% of the Price.
- 12.3 Supplier is obliged to reduce the extent and consequences of any possible delay.
- 12.4 Purchaser can choose between penalty according to Art. 12.2 or compensation in full if the delay or the consequences of the delay is caused by faults or omissions by Supplier or by someone it is responsible for.

13.0 TERMINATION DUE TO SUPPLIER'S DEFAULT

- 13.1 Purchaser has the right to terminate the Purchase Order with immediate effect by giving written notice to Supplier, due to the following situation:

- A) Supplier becomes insolvent
B) Substantial breach of conditions in the Purchase Order.

When Goods are specially manufactured for Purchaser and Supplier can not otherwise dispose of these without suffering a substantial loss, Purchaser can not terminate the Purchase Order unless the purpose is considerably missed due to Supplier's default., ref. however Art. 12.1.

14.0 FORCE MAJEURE

- 14.1 Neither of the parties shall be considered to be in default in performance of their obligations to the extent it can be proved that such performance has been prevented by Force Majeure.
- 14.2 The party affected by Force Majeure shall give the other party a written notice within 3 days. If the party do not give such notification it is not entitled to demand exemption from its obligations.
- 14.3 In the case of Force Majeure each party shall cover its own costs resulting from the Force Majeure situation.

15.0 INSURANCE

- 15.1 Supplier shall insure the Goods until delivery has taken place. Supplier shall at Purchaser's request submit the certificates of insurance.

16.0 PRODUCT LIABILITY

- 16.1 Supplier is responsible for and shall also indemnify Purchaser against all claims relating to losses or damages caused by the delivery in the following events:
A) the delivery is in breach with the safety that can normally be expected by the public
B) other circumstances that may result in claims against Purchaser based on domestic or international product liability legislation.
Supplier will not be liable according to the first paragraph if it is proven that the damaging features with the delivery is caused by Purchaser's instructions, drawings, construction or specification and Supplier can not to be blamed to have followed these.

17.0 TITLE TO THE GOODS

- 17.1 Title to the Goods shall pass to Purchaser as the work progresses and when parts are identified and marked for the purpose of the Purchase Order. Supplier shall clearly mark these materials and if possible, keep these items separated from other materials.
- 17.2 Drawings, specifications, data discs etc. which are sent from Purchaser to Supplier, remain the property of Purchaser and shall not be copied or given to third party without Purchaser's written approval.

18.0 PATENTS

- 18.1 Supplier is responsible that the Goods and the use of these do not infringe any patents or other immaterial rights belonging to any third party. Supplier shall indemnify Purchaser against any claims for compensation that may be raised in this connection.

19.0 CONFIDENTIAL INFORMATION

- 19.1 All information given by the parties to each other in connection with the Purchase Order shall not be disclosed to third party without prior approval of the other party.

20.0 GOVERNING LAW AND DISPUTES

- 20.1 This Purchase Order shall be governed by and construed in accordance with the laws of the kingdom of Norway.
- 20.2 Disputes arising in connection with or as a result of the Purchase Order, and which are not resolved by mutual agreement, shall be settled by court proceeding. The parties accept the City Court of the Purchaser as the proper legal venue.