



Terms and Conditions of Rental

1. Definitions

Fluid Control: Fluid Control Service as, its subsidiaries, divisions and other affiliates and their respective officers, directors, employees and agents, individually and collectively;

Equipment: All equipment, tools, products, materials and supplies and/or merchandise rented or sold by Fluid Control and/or provided in connection with services performed by Fluid Control;

Customer: means the entity represented by its authorized representative who accepts a quotation of Fluid Control or any of its affiliated entities ("Fluid Control") for the rental of the equipment described in the quotation (the "Equipment");

Order and Purchase Order: means the Customer's order for the Equipment, as set out in the Customer's purchase order form or the Customer's written acceptance of Fluid Control's quotation, as the case may be;

Claims: All liabilities, losses, claims, fines, penalties, demands, causes of action, proceedings, damages and penalties, including attorney's fees and court costs and expenses.

2. Basis of the Rental

2.1 Fluid Control agrees to rent to Customer, and Customer agrees to rent from Fluid Control, the Equipment, subject to the terms and conditions contained herein, regardless whether Customer attaches directly or indirectly any other terms and conditions prior to, during or following completion of the Rental. Any such Customer terms and conditions that conflict with these Terms shall be null and void and have no effect with respect to the Rental of the Equipment. No variation to these Terms shall be binding on either Fluid Control or Customer unless agreed in writing between the authorized representatives of Customer and Fluid Control

Customer shall at all times use the Equipment with due care and attention and in full conformity with the manufacturer's specifications. Customer shall during the rental period:

- a) at its expense and at all times during the Rental Period, keep and maintain the Equipment in good and substantial repair, condition and appearance in order to keep it in as good an operating condition as it was on the commencement date of the rental period (fair wear and tear only accepted);
- b) use all Equipment only for the purposes for which it was designed and operate in a careful, prudent manner and in accordance with the instructions for use;
- c) comply with all laws, regulations, rules or ordinances of lawfully constituted authorities relating to the possession, use, storage and transport of the Equipment;

- d) maintain effective control of the Equipment and keep the Equipment in a secure and suitable environment when not in use;
- e) ensure that the Equipment is operated only by suitably competent persons, duly instructed on its safe operation in accordance with manufacturer's operating manuals, instructions and safety warnings;
- f) obtain any required licenses or other authorizations necessary for the use, registration or handling of a specific piece of equipment or technology and ensure that it complies fully with all relevant legal requirements. Fluid Control reserves the right to request proof of any such authorizations prior to the commencement of the Rental Period;
- g) (where applicable) obtain any required licenses or other authorizations necessary for export, re-export and the return of the Equipment;
- h) ensure that no unauthorized transfers or diversions of the Equipment occurs;
- i) not remove, alter, disfigure or cover up any numbering, lettering or insignia displayed upon the Equipment or any warnings or documentation thereon;
- j) not copy or reproduce in any way or manner the Equipment or any part or component of the Equipment;
- k) not perform, or allow any person to perform, any work in or upon or make modifications, changes, alterations or repairs to the Equipment other than routine daily maintenance;
- l) allow Fluid Control or its representatives to inspect the Equipment at all reasonable times and for such purpose to enter upon the site or any premises at which the Equipment may be located, and shall grant reasonable access and facilities for such inspections;
- m) keep the Equipment free from any liens, claims, charges and encumbrances during the Rental Period;
- n) keep Fluid Control fully informed of all material matters relating to the Equipment;
- o) not do or permit to be done anything which could invalidate the insurances coverage

3. Title and Sub-leasing

- 3.1 The Equipment shall at all times remain the property of Fluid Control and the Customer shall have no right, title or interest in or to the Equipment (save the right to possession and use of the Equipment subject to these Conditions) and the Customer shall not assign, sublease or pledge the Equipment or any interest therein. Customer shall not make any alteration to or modification of the Equipment, and shall not alter, deface, cover up or conceal any numbering, lettering or labels displayed on the Equipment.
- 3.2 The Customer shall give Fluid Control immediate notice in the event the Equipment is lost, stolen or damaged as a result of the Customer's possession or use of the Equipment or if there is a claim or, for any reason, a threat of seizure of the Equipment.
- 3.3 The risk of loss, theft, damage or destruction of the Equipment shall pass to the Customer on delivery of the Equipment to the Customer, or where applicable, the Customer's appointed agent. The Equipment shall remain at the sole risk of the Customer during the Rental Period and any further term during which the Equipment is in the possession, custody or control of the Customer until such time as the Equipment is returned to Fluid Control

4. Period of the Rental

- 4.1 The rental period shall be as set out in the Order, however, so that the Rental of the Equipment shall commence when each equipment departs Fluid Control's location and will terminate on the return of the Equipment to Fluid Control or until Fluid Control is notified that such Equipment is lost or damaged beyond repair.

- 4.2 Twenty-four hours, or any part thereof, constitutes the first day's rental; additional days begin at expiration of first twenty-four hours, thereafter each additional twenty-four hours, or any part thereof, constitutes an additional day.
- 4.3 The rental period may be extended by mutual written agreement of both parties and the daily rate set out in the Order or according to this T&C art 7 shall apply to any extended period.
- 4.4 If the rental period has not been extended in accordance with this article and the Equipment is not returned to Fluid Control on the return date set out in the Order, the Customer will be charged at the daily rate set out in the order until the Equipment has been returned to Fluid Control.

5. Orders and Specifications

The quantity, quality and description of and any specification for the Equipment shall be those set out in accordance to Purchase orders placed and that are accepted by Fluid Control.

6. Pre-Delivery Cancellations

- 6.1 Purchase orders once placed and accepted by Fluid Control may be cancelled only with Fluid Control's written consent. Any cancellation at Customer's request may result in a cancellation charge equal to:
- a) if standard Equipment, 20% of, and
 - b) if nonstandard or special Equipment, 100% of, the full Contract price for Equipment billable by Fluid Control to Customer, before any discount.
- 6.2 Fluid Control reserves the right to make substitutions or design and modifications to Equipment or Services provided these changes do not affect the performance of those Equipment or Services.

6.3 Charges

Unless stated otherwise in the applicable Price List,

- a) no services are included in the rental charges shown thereon;
- b) rental charges begin when each piece of Equipment departs Fluid Control's location and will continue until it is returned to the same location or a nearer point designated by Fluid Control, or until Fluid Control is notified that such Equipment is lost or damaged beyond repair; and
- c) all rental charges are on a daily basis for a 24-hour day or any part stated therein. (Customer shall be charged a full calendar day's rental for any portion of a calendar day, which day shall end at midnight.)
- d) Customer agrees that all charges are due and payable within 30 days from the date of the invoice, net cash with no discount to Fluid Control at the address printed on the applicable invoice. Fluid Control may charge Customer interest at the maximum rate permitted by applicable law on the unpaid balance due.

7. Liability and equipment breakdown

- 7.1 In the event that the Equipment experiences a breakdown due to any defect in materials or workmanship, Fluid Control's liability shall be limited to the cost of repair, including parts and labor, to return the Equipment to full working order.

- 7.2 Fluid Control may, at its sole discretion, extend the Rental Period at no cost to the Customer for the time required to replace or repair the Equipment. Fluid Control shall not be obligated to bear the costs of Customer's labor or standby time in connection to any breakdown, nor any costs related to the delay of Customer projects.
- 7.3 Without prejudice to clause 8, Fluid Control's maximum aggregate liability for breach of the Contract (including any liability for the acts or omissions of its employees, agents and subcontractors), whether arising in contract, delict (including negligence), misrepresentation or otherwise, shall in no circumstances exceed the cost of fulfilling its obligation under clause 8.
- 7.4 Nothing in these Conditions shall exclude or in any way limit Fluid Control's liability for:
- a) death or personal injury caused by its own negligence or the negligence of its employees, agents or subcontractors (as applicable); or
 - b) fraud or fraudulent misrepresentation.
- 7.5 These Conditions set forth the full extent of Fluid Control's obligations and liabilities in respect of the Equipment and its hiring to the Customer. In particular, there are no conditions, warranties or other terms, express or implied, including as to quality, fitness for a particular purpose or any other kind whatsoever, that are binding on Fluid Control except as specifically stated in these Conditions. Any condition, warranty or other term concerning the Equipment which might otherwise be implied into or incorporated within the Contract, whether by statute, common law or otherwise, is expressly excluded.
- 7.6 Fluid Control shall not be liable to the Customer for any:
- a) loss of profit;
 - b) loss of revenue;
 - c) loss of business;
 - d) indirect or consequential loss or damage,

in each case, however caused, even if foreseeable.

8. Indemnity

Customer shall indemnify and hold harmless Fluid Control from and against any and all claims, costs, suits, damages, losses, injuries or liabilities ("Losses") that may be imposed on, incurred by or asserted against Fluid Control in any way relating to or arising out of the Rental or Customer's use of the Equipment or the performance of Fluid Control's duties hereunder, unless such Losses directly result from the gross negligence or willful misconduct of Fluid Control or its employees.

9. Loss and Damage

- 9.1 Customer agrees to return each piece of Equipment to Fluid Control in as good a condition as when dispatched from Fluid Control's location, ordinary wear and tear from reasonable use excepted.

In the event the Equipment suffers any damage during the Rental Period, Customer shall promptly give notice thereof to Fluid Control. All damaged Equipment, which can be repaired to meet applicable specifications, will be repaired by Fluid Control, and all costs for parts, labor and inspection shall be paid by Customer.

- 9.2 The Customer is responsible for any damage to or loss of the Equipment during the Rental Period, including without limitation:
- a) any Equipment that is lost at sea or downhole; and/ or
 - b) any Equipment that is damaged beyond repair; and/ or
 - c) any Equipment that is not returned to Fluid Control; and/or
 - d) any Equipment that is returned and is subsequently rejected by Fluid Control; regardless of whether such damage or loss is attributable to Customer's negligence, or the negligence of Customer's employees or agents.
- 9.3 Cause for rejection by Fluid Control and/or for any Equipment being deemed damaged beyond repair includes, without limitation, conditions that are patent and obvious, physical damage, latent damage, damage caused by careless handling or packing and other conditions generally accepted as such in the oilfield including excessive wear, tear or damage, exposure to H₂S, exposure to CO₂, exposure to abrasive or corrosive wellbore fluids, exposure to corrosive drilling muds or any acids or alkalis, damage from excessive jarring, damage from excessive temperature or pressure exposure or any caking with cement or other drilling or wellbore fluids.
- 9.4 Customer shall also be liable for the continued accrued Rental Amount until the day written confirmation is received and accepted by Fluid Control proving that the relevant Equipment is lost or damaged beyond repair.
- ALL EQUIPMENT NOT RETURNED, FOR WHATEVER REASON, OR DAMAGED BEYOND REPAIR, SHALL BE PAID FOR BY CUSTOMER AT THE RESPECTIVE MANUFACTURER'S CURRENT LIST PRICE, NEW.
- 9.5 Accrued rental charges cannot be used against or offset against the purchase price or cost of repairs of Equipment damaged or not returned. Equipment billed as a sale after having been damaged beyond repair will be held for Customer without charge, for 60 days after the invoice date, and if not removed within those 60 days, will be subject to disposal at the discretion of Fluid Control, without any liability of Fluid Control to Customer

10. Liability Warranty/Disclaimer

Fluid Control will use reasonable efforts to have Equipment ready for shipment by the date agreed to by Fluid Control, subject to receipt by Fluid Control of all necessary Customer information. HOWEVER, FLUID CONTROL ASSUMES NO LIABILITY FOR DAMAGES INCURRED AS A RESULT OF ITS LATE DELIVERY OF EQUIPMENT, REGARDLESS OF CAUSE.

11. Sub Rental

Fluid Control shall to the best of its ability and at all times plan and organize to ensure that there is available Rental Equipment that meets Customer's requirements. Where it is necessary for Fluid Control to obtain Equipment from a third party to comply with a Customer order, Fluid Control, "to the best of its ability" will look in to the availability of 3rd party equipment and ensure that the prices are at a competitive level but Customer shall be responsible for third party's charges therefor, even though such charges may be higher than the amount stated in the applicable Price List for similar Equipment.

12. Disputes and governing law

10.1 This agreement shall be governed by the laws of Norway.

10.2 All disputes arising out of or in connection with this Agreement shall first be attempted to be settled through negotiations. If the parties fail to settle the case, the dispute shall be submitted to the courts of Norway

10.3 The venue for any court proceedings under these Terms & Conditions shall be Sør-Rogaland tingrett