

Standard terms and conditions for hire of machines and equipment from BAS Maskinutleie AS

1. Purpose.

These standard terms and conditions shall apply for all hire of machines and equipment from BAS Maskinutleie AS (hereinafter referred to as BAS), unless otherwise is agreed in writing.

2. Calculation of rent.

The rent is based on use of the equipment for one shift (i.e. 8 hours per shift). If the equipment is used beyond this, 80% of the rent is debited/paid in addition at the second shift and 60% of the rent at the third shift. The rent runs from the date when the rental equipment is sent from BAS, or from the date of agreed pick-up. The rental period runs up to and including the date on which the equipment is returned to the hirer-out's department. Rent is also calculated during the holiday period if the equipment is not returned.

3. Invoicing.

Rent is invoiced in accordance with the at any time current price list with addition of the at any time current VAT/other public hire or sales taxes. Monthly rent is invoiced in advance every month, whereas daily rent is invoiced in arrears. Payment terms are 15 days from the invoice date, unless otherwise is agreed in writing. In case of late payment, the at any time current interest on overdue payment as set in Norwegian law shall be paid. If collection is instituted, all further hiring out will be against advance cash payment. Interruptions for which BAS is responsible, rent will not be charged for the relevant rental equipment during the downtime. Complaint on the invoice must be made within 10 days after the invoice date.

4. Rental equipment.

Upon delivery, the rental equipment must be in operational condition and satisfy the safety requirements that at any given time are applicable. If the delivered equipment deviates in any way from what is agreed upon the hirer shall immediately notify BAS, who has the right to replace or to repair the equipment. If BAS has not received any complaint on the equipment within two working days, the rental equipment shall be regarded as faultless on delivery. The hirer shall ensure that the equipment is returned to BAS within 8 a.m. in fully operational and clean condition, and without any damages, with the exception of normal wear and tear. The equivalent provision applies when BAS is responsible for return of the equipment. Defects on equipment returned will be repaired by BAS at the hirer's cost. If repair is not economically viable, the hirer is obligated to pay an amount equal to the replacement cost.

5. Supervision and use of equipment.

The hirer is responsible for the use of the rental equipment, and that the user/operator has the necessary expertise according to regulations. The rental equipment shall only be used for such tasks and in such working conditions that it is intended for. It is the duty of the hirer to follow the operating instructions for the equipment, so as to avoid exposing himself or others to any danger or harm. The specified capacities of the equipment must not be exceeded, and the equipment must not to be subjected to environmental stresses. The hirer is obligated to comply with all applicable regulations for maintenance and use and to provide and pay for necessary supervision, ordinary operational maintenance, punctures, replacement of parts and consumables such as fuel, lubricants and other that will be used and replaced during operation of the equipment. The hirer must only use the

equipment and auxiliaries prescribed. The hirer must not make any changes or modifications to the equipment. The hirer has no right to sublet the equipment, transport it out of Norway, transfer his rights under this agreement to others or make any legal disposals of the rental equipment. When moving the equipment within Norway, BAS must be notified in writing so that BAS at all times can know where the equipment is located.

6. Insurance.

6.1 Insurance of the rental equipment.

The rental equipment is insured by BAS during the rental period, and the hirer is charged an insurance premium in addition to rent. The insurance covers rental equipment located in Norway. The insurance covers sudden and unforeseen damage according to conditions for fire, theft, machinery, cargo transport and assembly insurance. In case of theft, the following safety regulations shall apply:

- a. Self-propelled rental machines and equipment must be locked with ignition lock and any driver's cabin/control cabin must be locked.
- b. Rental machines and equipment with towing bracket must be locked with proper bracket lock.
- c. All other rental machines and equipment must be locked in steel container or chained with approved chain and padlock. The locks must at least be of class 3 standard, in compliance with the insurance companies' security standards for securing against unlawful entry on building sites (B2 requirements).

For damages covered by the insurance, the hirer's own risk amounts to NOK 15,000. For equipment with a purchase cost of under NOK 15,000, the hirer's own risk amounts to NOK 5,000. Insurance premium is charged with 3.0% of the gross rent amount excluding VAT. For private customers the own risk is NOK 5,000 – against a premium of 5% of the gross rent amount.

6.2 Insurance for damage to third parties.

It is the hirer's duty to take out liability insurance for the use of self-propelled machines that are not covered by the Automobile Liability Act and for negligent use of other rental equipment.

7. Risk and liability.

The risk in relation to the rental equipment is transferred to the hirer from the moment the equipment is sent from BAS or picked up by the hirer, and rests with the hirer until the equipment is returned to the hirer-out's department. The hirer has all liability in connection with the hire, including loss due to loss of use, damage to property, damage for personal injury or consequential damages that the rental equipment or use thereof may inflict on the hirer, the hirer's employees, the user or third party. This does not apply if the damage was caused by technical failure that the hirer did not discover, nor should have discovered, by his use of the rental equipment. BAS accepts no liability for the proper selection of equipment, amount of equipment, that the rental equipment meets the hirer's needs, damage to the hirer's property or person as well as interruption and/or loss due to delayed delivery of the equipment.

8. Force majeure (impediments to performance).

As force majeure is regarded any hindrance that BAS cannot reasonably overcome, or that the fulfilment of the agreement will entail such great inconvenience or expense to BAS that it will be significantly disproportionate to the hirer's interest in fulfilment of the agreement. This applies regardless of whether the hindrance affects BAS itself, or a subcontractor used by BAS to fulfil the rental agreement. Force majeure shall include amongst other things traffic difficulties affecting BAS'

presumed mode of transport or road upon signing of the agreement, as well as larger industrial accidents, restrictions of fuel, decisions of public authorities, labour disputes, military mobilization, requisition, confiscation or restrictions on currency, export or import.

9. Termination and rescission.

Rental agreements with no pre-determined period of hire can be terminated by the hirer with one working days' written notice. Rental agreements with pre-determined period of hire/price run in the agreed period, unless otherwise agreed. If the rental equipment is not treated satisfactory, invoices are not paid when due, the hirer goes bankrupt or if the agreement is materially breached, BAS may rescind the rental agreement with immediate effect and return the equipment at the hirer's expense. In addition, in such cases BAS may claim compensation for any loss that BAS suffers as a result of the rescission. The hirer may rescind the agreement if BAS fails to perform maintenance and repairs in a satisfactory manner when an overall assessment may consider this to be a material breach of the rental agreement.

10. Enforcement.

If rent and other costs are not paid by the hirer when due, the hirer accepts that surrender of the equipment can be requested in accordance with the Enforcement Act, Section 13-2 second paragraph a). In notice of such claim, cf. the Enforcement Act, Section 4-18 first paragraph, the hirer shall be informed that surrender can be avoided if rent (and other overdue costs) with accrued interest, extrajudicial collection costs, legal costs and overdue rent up to the time of payment are paid before enforcement is implemented. Correspondingly, the hirer accepts in accordance with the Enforcement Act, Section 13-2 second paragraph b), that surrender can be requested when a pre-defined period of hire has expired.

11. Specific terms at purchase.

Upon sale, BAS reserves the right of ownership to the goods sold until the buyer has fulfilled all his obligations to the seller. Until such a settlement is made, the buyer is not entitled to sell, pledge or in other ways realize or make legal disposals of the good. The equipment shall be labelled with "BAS" as owner until full settlement has taken place.

12. Disputes – legal venue.

Any dispute under this agreement shall be attempted resolved through negotiations. The hirer may not withhold more than the disputed amount. If the parties fail to reach agreement through negotiations, the dispute shall be referred to ordinary court proceedings with legal venue in the municipality where BAS has its business address, unless the parties agree to have the dispute settled by arbitration.