

## General Terms and Conditions for Goods and Services, Norway

Revised August 2011

### Definitions

1.1 "Affiliate" means any company or other entity controlled by, having control of or under common control with a party hereto. "Control" means the right to exercise directly or indirectly the vote of more than 50% of the voting shares.

1.2 "Buyer" means ConocoPhillips Skandinavia AS or as otherwise identified in the Purchase Order, and the Buyer's successors and assigns.

1.3 "Buyer Group" means (i) Buyer and its Affiliates receiving any Goods or Services pursuant to the Purchase Order, (ii) Buyer's Coventurers, (iii) Buyer's suppliers and contractors (other than Supplier) and their subcontractors who are engaged to provide Goods or Services to/for Buyer, and (iv) the respective employees, officers, directors and agents of all of the foregoing.

1.4 "Claim" means any claim, demand, cause of action, judgment, loss, cost, expense, proceeding, penalty, award of damage or liability (including, without limitation, reasonable legal costs and expenses and sums paid by way of settlement and compromise where such settlement or compromise was reasonable).

1.5 "Consequential Loss" means any of the following howsoever caused or arising, whether under common law, equity or contract, by virtue of any fiduciary duty, in tort (including negligence) as a consequence of breach of any duty (statutory or otherwise), or under any other legal doctrine or principle whatsoever, irrespective of whether recoverable in law or equity:

(a) loss or deferment of revenue, use, production or profit;

(b) losses associated with business interruption including wasted overheads and loss of anticipated savings;

(c) loss of bargain, contract, expectation or opportunity;

(d) any loss, claim or expense which arises out of or is connected with the sale, disposal, exchange or use of, or the transportation or processing of, any production;

(e) any increase in operating or other costs except as specifically provided for elsewhere in this Purchase Order; and

(f) all special, indirect or consequential losses or damages of any nature whatsoever.

For the avoidance of doubt, the categories of loss in paragraphs (a) to (f) inclusive shall be losses arising either directly or indirectly whether or not in the contemplation of the parties at the commencement date of the Purchase Order.

1.6 "Coventurers" means the coventurers of Buyer from time to time (and their respective successors and assigns) having an interest in the project for which the Goods and/or Services are acquired.

1.7 "Goods" means the goods as described in the Purchase Order and shall include any materials, components, data, drawings, and documentation as required by Buyer.

1.8 "Force Majeure" means any circumstance or event (including, but without prejudice to the generality of the foregoing strikes, lockouts and labour disputes) which the continuation of or the consequences of are beyond the reasonable control of the party concerned, which renders such party unable to fulfil any of its obligations under the Purchase Order and which such party could not reasonably have prevented, anticipated or provided against.

1.9 "Price" means the price of the Goods or Services appearing in the Purchase Order.

1.10 "Purchase Order" means the contract between the parties for the supply of Goods and Services, which includes these general terms and conditions, any additional terms and conditions in accordance with clause 15.5 hereof and any amendments agreed by both parties.

1.11 "Services" means the services, operations to be performed and the equipment (which may be by way of rental by Buyer from Supplier) and personnel to be provided by Supplier, as described in the Purchase Order.

1.12 "Specification" includes any plans, drawings, data or other information relating to the Goods or Services attached to or referred to in the Purchase Order.

1.13 "Supplier" means the party so described in this Purchase Order.

1.14 "Supplier Group" means (i) Supplier and its Affiliates providing any Goods or Services pursuant to the Purchase Order, (ii) the participating companies in any joint venture with Supplier for providing part or all of the Goods and/or Services, (iii) Supplier's subcontractors of any tier, (iv) any of subcontractors' Affiliates involved in providing all or part of the Goods and/or Services, and (v) the employees, officers, directors and agents of all of the foregoing.

### Basis of the Purchase

2.1 Buyer shall acquire and Supplier shall provide the Goods and/or Services in accordance with the Purchase Order. The Purchase Order is not an exclusive contract for Supplier for performance of the kind of Goods and/or Services covered by this Purchase Order.

2.2 Buyer makes the Purchase Order on behalf of itself and as agent and trustee for each of its Coventurers. Supplier agrees to look only to Buyer for the performance of the Purchase Order. Supplier may not commence any proceedings against any Coventurer. Buyer may enforce the Purchase Order against Supplier and Buyer shall be entitled to recover from Supplier on its own behalf and on the behalf of any Coventurer.

### **Specifications of the Goods and Conduct of the Services**

3.1 The Supplier shall perform its obligations under the Purchase Order in a skilful and workmanlike manner. The quantity, quality and description of the Goods and the Services shall be as specified in the Purchase Order and/or in the applicable Specifications and to the satisfaction of the Buyer, who may reject any Goods and/or Services which are not in accordance with the Purchase Order or the Specifications. Supplier shall deliver the Goods and/or complete the Services within the specified time or within a reasonable time if no time is specified.

### **Inspection and Testing of Goods**

4.1 Buyer may inspect, review and/or test the Goods and the Services at all reasonable times during manufacture, processing, storage or otherwise and Supplier shall provide Buyer with all facilities and assistance reasonably required for such inspection and testing. Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and/or Services and such inspection or testing shall not diminish or affect the Buyer's rights under or pursuant to the Purchase Order. Buyer shall inform Supplier if the Goods and/or Services, or any parts thereof, do not comply with the Purchase Order.

4.2 If Buyer is not satisfied that the Goods and/or Services, in whole or in part, will comply in all respects with the Purchase Order, Supplier shall forthwith take all steps as are necessary as directed by Buyer to ensure compliance, without prejudice to any other rights of the Buyer (including the rights the Buyer is entitled to exercise pursuant to paragraph 9.2 hereof).

4.3 Failure of Buyer to inspect, test or bring to the attention of Supplier any defect or non-conformance of the Goods or Services shall in no way relieve Supplier of his obligations hereunder.

### **Delivery of Goods**

5.1 Supplier shall deliver the Goods to the address shown in the Purchase Order on the date or within the period stated in the Purchase Order, during the usual business hours of Buyer. A packing note quoting the number of the Purchase Order must accompany each delivery.

5.2 Delivery shall be in accordance with the instructions of Buyer. Supplier shall be responsible for providing suitable protection and packing for Goods to ensure their safe arrival at the delivery address in an undamaged condition. Buyer shall not be obliged to return to Supplier any packaging or packing materials.

5.3 To the extent that any Goods contain toxic, corrosive or other materials hazardous to health or property, a prominently displayed notice to that effect must accompany each delivery of the Goods.

5.4 Title and interest in the Goods shall pass from Supplier to Buyer upon the earlier of (i) their proper delivery to Buyer or (ii) as the Goods are paid for by Buyer. If Buyer rejects the Goods pursuant to paragraph 3.1 hereof, Supplier shall reimburse Buyer for any amounts that Buyer may have paid for such rejected Goods and title in the rejected Goods shall revert to Supplier. Risk of loss or damage to the Goods shall pass from Supplier to Buyer upon acceptance of the Goods by Buyer at the agreed delivery address. In no event shall Buyer be deemed to have accepted any Goods until Buyer has had a reasonable time to inspect them following delivery or until after any latent defect in the Goods has become apparent to Buyer.

### **Price**

6.1 The Price shall be as stated in the Purchase Order and, unless otherwise so stated, shall be exclusive of any applicable Value Added Tax (which shall be payable by Buyer subject to receipt of a VAT invoice) but inclusive of any charges for packaging, packing, shipping, carriage, insurance and delivery to the delivery address of Buyer stated on the Purchase Order and any duties, imposts or levies other than Value Added Tax and shall constitute full and final compensation to Supplier for all Supplier's expenses, overheads and profits related to supply of the Goods, performance of the Services and compliance with this Purchase Order.

6.2 No increase in the Price (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) or variation may be made to the Purchase Order without the prior written consent of Buyer.

6.3 Buyer shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by Supplier.

### **Terms of Payment**

7.1 Unless otherwise agreed in the Purchase Order, Supplier may invoice Buyer for the Price on or at any time after the delivery and acceptance of the Goods or satisfactory completion of the Services, as the case may be. Each such invoice shall be submitted to the address specified for such purpose in the Purchase Order and shall quote the number of the Purchase Order and include supporting back up documentation. Supplier shall show cash discount terms on all invoices. Terms of payment and discount will be computed from date received in Buyer's office.

7.2 Payment of such sums as are properly invoiced in accordance with this provision shall be made in full 30 (thirty) days after receipt by Buyer of a correct invoice and shall constitute full and final compensation to Supplier and shall be Supplier's sole basis for remuneration for performance of the Services or supply of the Goods. Payment shall be in the currency identified in the Purchase Order with no allowance for variation due to currency fluctuations. No invoice received by Buyer more than 90 days, or longer where allowed by law, following completion of the delivery of the relevant Goods or completion of the relevant Services shall be eligible for payment unless Buyer at its sole discretion decides otherwise.

7.3 If Buyer disputes any invoice in whole or in part, Buyer shall promptly notify Supplier of the dispute and request a credit note to allow payment of the undisputed portion. Buyer and Supplier shall endeavour to settle and adjust any disputed amount forthwith. Buyer may also set-off against the Price any sums owed to Buyer by Supplier whether under this Purchase Order or otherwise.

7.4 No payment made by Buyer shall constitute a waiver by Buyer of any breach by Supplier of any of its obligations to Buyer hereunder or prejudice the rights of Buyer to question or dispute any portion of any invoice, and any payment withheld by Buyer shall be without prejudice to any other rights or remedies of Buyer under contract or at law.

### **Insurance**

8.1 Supplier shall, at its own cost, effect and maintain during the term of the Purchase Order, all such insurances as may be required by law and general public liability insurance including contractual liability coverage. The general public liability insurance shall be for not less than U.S. \$1 million per occurrence. Supplier's insurance shall be written or endorsed such that the insurers shall have no right of recovery against Buyer Group to the extent of any indemnities granted hereunder by Supplier to the Buyer Group or any members of Buyer Group. Supplier shall provide evidence of such insurance cover when requested by Buyer. All insurance required above shall be primary to any insurance coverage available to Buyer, each of its Affiliates and Coventurers. The above-stated minimum requirements are not intended to indicate the amounts or types of insurance that Supplier needs or may ultimately need and shall not alter or affect Supplier's liability under the Purchase Order.

### **Warranties and Liability**

9.1 Supplier undertakes and warrants and guarantees to Buyer that:

9.1.1 all Goods and/or Services will comply in all respects with the Purchase Order and the Specifications, and as required by regulations and by law including any amendment, extension, re-enactment or replacement of statutes or statutory provisions;

9.1.2 all Goods and/or Services shall be of satisfactory quality and be fit for their intended purpose;

9.1.3 neither the Goods nor the provision of any Services infringe, nor does the importation, use or resale of any Goods infringe the patent, copyright, design right, trademark or other intellectual property rights of any other person, and Supplier shall defend, indemnify and hold harmless Buyer Group from any intellectual property Claim (except to the extent that the Claim arises from compliance with any Specification supplied by Buyer);

9.1.4 it will hold and will ensure that its subcontractors of any tier will hold in strict confidence the Specification, together with all data or other information that it receives from Buyer Group or becomes aware of belonging to the Buyer Group in connection with the Purchase Order;

9.1.5 copyright, design rights or any other intellectual property rights in or arising out of, or developed by the Supplier in connection herewith or related to the Specification or data or other information that it receives from Buyer Group shall vest exclusively in Buyer;

9.1.6 it will not disclose to and will ensure that its subcontractors of any tier will not disclose to any third party or use any such Specification or data or other information that it receives from Buyer Group or becomes aware of belonging to the Buyer Group except to the extent that it is or becomes public knowledge through no fault of Supplier;

9.1.7 it will not reproduce or use and will ensure that its subcontractors of any tier will not reproduce or use the Specification or data or other information that it receives from Buyer Group or becomes aware of belonging to the Buyer Group for any purpose unrelated to the Purchase Order without the express written consent of Buyer, and will forthwith upon request at any time and without charge deliver to Buyer any and all such data or information then in its possession;

9.1.8 it will provide all necessary equipment, supplies and suitably skilled and experienced personnel, and supplies to carry out the Services and supply the Goods in a timely and efficient manner;

9.1.9 it will comply with the policies set forth by the government and the Buyer, as amended from time to time, including, without limitation, those relating to matters of health, safety and the environment (including support of Buyer's zero HSE culture), corporate ethics, and substance abuse. Supplier by its acceptance of the Purchase Order, hereby confirms it has been given a copy of or access to Buyer's said policies which are applicable to the performance of the Purchase Order.

9.1.10 it will be responsible for training and verifying that its employees and subcontractors are properly prepared to perform the Services; and

9.1.11 it will be responsible for any payment, including interest, in respect of taxes assessed against the Supplier Group, and will indemnify Buyer Group therefrom.

9.2 Without prejudice to any other remedy, if any Goods and/or Services, in whole or in part, are not supplied in accordance with the Purchase Order, Buyer shall have the right, at its option, to require Supplier to supply replacement Goods or to re-perform the Services forthwith at no cost to Buyer or to treat the Purchase Order as discharged by the breach of Supplier and require the repayment of any part of the Price which has been paid or to engage, at Supplier's cost, a third party to re-perform, replace or repair any part of the Goods and/or Services. The Buyer shall be obliged to notify the Supplier of any such defects in the Goods and/or Services within thirty six months of the date of delivery of the Goods or acceptance of the Services, whichever is applicable.

9.3 Supplier shall defend, indemnify and hold harmless Buyer Group against all liability, loss, damages, costs and

expenses (including legal costs and expenses) awarded against or incurred or paid by Buyer Group as a result of or in connection with breach of any warranty given by Supplier and against any fines, costs, or expenses arising from Supplier Group's failure to comply with any applicable laws, rules, or regulations.

### **Risk Structure**

10.1 Supplier shall defend, indemnify and hold harmless Buyer Group from and against any and all Claims with respect to (i) the death or illness, disease, mental anguish, or injury to any of the personnel of Supplier Group; (ii) the loss or destruction of or damage to any property of Supplier Group; and (iii) the loss or destruction of or damage to any property of Buyer, its Coventurers and Affiliates whilst the same is in the care, custody or control of Supplier Group.

10.2 Buyer shall defend, indemnify and hold harmless Supplier Group from and against any and all Claims with respect to (i) the death or illness, disease, mental anguish or injury to any of the personnel of Buyer Group and (ii) the loss or destruction of or damage to any property of Buyer Group, other than as provided in sub-paragraph 10.1(iii).

10.3 Paragraphs 10.1, 10.2, 10.4 and 10.5 apply to any death, illness, mental anguish, injury, loss, destruction or damage which arises out of or in connection with the performance of the Purchase Order but otherwise without regard to the cause thereof, and irrespective of whether caused by (i) unseaworthiness, strict liability, breach of warranty (express or implied), imperfection of materials, condition of any premises or transport to or from such premises, (ii) breach of duty (statutory or otherwise), or the negligence of the indemnified Party or any of the members of its Group whether the Supplier Group or the Buyer Group, and whether such negligence be sole, joint or concurrent, active or passive, and (iii) whether the basis for any Claim is in tort, under contract, or otherwise at law.

10.4. Under no circumstances whatsoever whether by reason of any negligence, breach of duty (statutory or otherwise) or strict liability shall Buyer be liable to Supplier Group for Consequential Loss suffered by any member of Supplier Group resulting from or arising out of this Purchase Order. Supplier shall defend, indemnify and hold harmless Buyer Group from any and all Claims resulting from such Consequential Loss.

10.5. Under no circumstances whatsoever whether by reason of any negligence, breach of duty (statutory or otherwise) or strict liability shall Supplier be liable to Buyer Group for Consequential Loss suffered by any member of Buyer Group resulting from or arising out of this Purchase Order. Buyer shall defend, indemnify and hold harmless Supplier Group from any and all Claims resulting from such Consequential Loss.

### **Transportation Offshore**

11.1 Subject to the releases and indemnities set forth herein, Buyer will furnish the following without charge: (i) transportation by helicopter to and from Buyer's helicopter base and the offshore Service location(s) at the start of the Services and at the end of the Services and (ii) meals, lodging, laundry and customary medical attention offshore. Supplier will be responsible for all costs of transportation and meals and lodging before departure from Buyer's helicopter base and after return to Buyer's helicopter base, if any, other than reasonable documented extra costs that are incurred because of delays in scheduled helicopter flights that exceed 2 hours. Supplier shall comply at all times with Buyer's procedures for reservation of helicopter seats.

11.2 Supplier shall furnish at no extra cost all equipment and any other items necessary to perform Services. All equipment for work offshore shall be delivered by Supplier to Buyer's specified base at Supplier's cost in due time for the Services to be performed, properly packed and marked for transportation. The equipment will be transported from Buyer's specified base to the offshore work location(s) and back to Buyer's specified base at no cost to Supplier subject to the terms of clause 10.1 hereof.

11.3 All of the employees, subcontractors and agents of Supplier travelling offshore shall hold current medical/survival certificates that shall be provided to Buyer upon request, and shall, in accordance with Buyer's HSE Policy and any governmental requirements, be adequately trained in offshore safety and survival.

### **Termination**

12.1 Buyer shall be entitled to cancel the entire Purchase Order, or only part of the Goods or Services, by giving written notice to Supplier in which event the sole liability of Buyer shall be to pay to Supplier the part of the Price for any Goods and/or Services performed in accordance with the Purchase Order, less the net saving of cost to Supplier arising from cancellation.

12.2 Buyer shall be entitled to cancel the entire Purchase Order, or only part of the Goods or Services, without liability to Supplier, by giving written notice to Supplier at any time if Supplier:

- (i) fails or refuses to supply competent supervision or sufficient, properly skilled workers or proper materials; or
- (ii) does not make proper or timely performance of the Purchase Order; or
- (iii) Supplier goes into liquidation or receivership; or
- (iv) otherwise prejudices or fails to carry out his obligations in accordance with the Purchase Order.

12.3 Buyer shall not be liable to pay Supplier any further monies in respect of the Purchase Order and Supplier shall be liable for and shall pay Buyer any costs, expenses or damages in the event of said termination including the additional cost of having the Goods and/or Services provided by others, if applicable.

### **Audit Rights**

13.1 Buyer and its authorised representatives may at any time during the term of the Purchase Order and for four

(4) years thereafter, on reasonable prior notice, have access to and audit all relevant books and records of Supplier Group for the purpose of confirming compliance by Supplier with the requirements of the Purchase Order.

#### **Contracts (Rights of Third Parties) Act 1999**

14.1 The Contracts (Rights of Third Parties) Act 1999 shall apply only for the purpose of extending the benefit of the indemnities in articles 9.1.3, 9.11, 9.3 and 10 to the other members of the Supplier Group (other than the Supplier) and the Buyer Group (other than the Buyer) hereinafter "Beneficiary Third Parties" but the rights of such Beneficiary Third Parties shall not prevent the exercise of any right Buyer or Supplier may have to vary and/or terminate the Purchase Order, even if that result in the rights of such Beneficiary Third Parties being varied or extinguished.

14.2 In enforcing any right to which it is entitled by virtue of the Act and the provisions of the Purchase Order, the remedies of the Beneficiary Third Parties shall be limited to damages. A Beneficiary Third Party shall not be entitled to assign any benefit or right conferred on it under this Purchase Order by virtue of the Act.

#### **Miscellaneous**

15.1 Supplier shall not assign or purport to assign or transfer to any other person any of its rights or subcontract any of its obligations under this Purchase Order without the prior written consent of Buyer. Said written consent shall not relieve Supplier from any of his responsibilities or obligations to Buyer under this Purchase Order.

15.2 Failure or delay by Buyer in the exercise of any rights or remedies under the Purchase Order or by law shall not release Supplier from any warranties or obligations contained or referred to in the Purchase Order. Any waiver by either party of a breach of any requirement of the Purchase Order shall not be considered as a waiver of any subsequent breach of the same or any other requirement hereof.

15.3 The Purchase Order shall be governed by and construed in accordance with the Norwegian law and the parties hereto irrevocably submit to the exclusive jurisdiction of the Norwegian courts. Disputes that may arise and that cannot be resolved by negotiations shall be subject to confidentiality and be referred to arbitration in Stavanger in the English language and otherwise in accordance with the Act relating to Arbitration, 14 May 2004 no 25 as amended. The time limit to appoint arbitrators is 30 days after receiving written notice of the arbitration. The arbitrators in the award may not grant any relief that could not be granted by a court of law in the Kingdom of Norway. The award shall be in writing and shall be final and binding on the Parties, and judgment with respect thereto may be entered in any court having jurisdiction for judicial acceptance and/or an order of enforcement, as the case may be. Documents and statements in Norwegian and English shall be allowed in any arbitration procedure. Translation thereof shall be at the expense of the party requiring such translation.

15.4 The Purchase Order constitutes the entire agreement between Buyer and Supplier with regard to the Goods and/or Services, and supersedes all prior negotiations, representations or agreements relating to the Purchase Order, either written or oral. In particular, any terms or conditions that the Supplier may attach, refer to in any written material (including, without limitation, on any invoice or packing note) or any course of dealing between the Supplier and Buyer shall be of no effect.

15.5 If the Purchase Order is issued pursuant to another existing agreement between Buyer and Supplier, the terms and conditions of the referenced agreement shall apply to the provision of the Goods and Services hereunder and shall control in the event of any conflict with these general terms and conditions.

15.6 Supplier shall be responsible for obtaining clarification of any discrepancies, errors or omissions in the Specification or data or other information that Buyer supplies.

15.7 Supplier shall immediately notify Buyer of any delay, specifying cause of and probable duration.

15.8 Captions and headings used in the Purchase Order are inserted solely for convenience and shall not be taken into consideration in interpretation of the Purchase Order.

15.9 Where the context admits or requires words importing the singular shall include the plural and vice versa and references to a gender shall include every gender.

15.10 Any purported amendment of the terms, requirements or obligations of the Purchase Order shall be void and of no force unless it is (i) in writing, (ii) signed by duly authorised representatives of Buyer and Supplier, (iii) expressly refers to the specific article to be amended, and (iv) expressly indicates agreement of the Buyer and Supplier to amend such specific article referred to therein.

15.11 Supplier shall be an independent contractor and in no event shall Supplier nor any person in Supplier Group be considered employees or agents of Buyer.

15.12 If Supplier has entered into an OLF Security Agreement with another party, in accordance with OLF's Guideline 091 for securing oil industry supplies and equipment, the Supplier shall comply with the OLF Security Agreement also when performing the Services for Buyer. If such an OLF Security Agreement entered into with another party is terminated, the Supplier shall inform the Buyer without undue delay. The Supplier shall enter into an OLF Security Agreement with Buyer at Buyer's request.

#### **Force Majeure**

16. In the event any party is prevented from performing any of its obligations by Force Majeure, that party's obligations shall be suspended during the period of such Force Majeure. Each party shall bear its own costs due to the Force Majeure occurrence and no compensation shall be owed by Supplier for the period of Force Majeure.

The party prevented from performing by Force Majeure shall notify the other as soon as possible of its inability to meet its obligations, specifying the cause of the Force Majeure and estimated extent to which the event or condition will impact performance, and shall notify the other party when such impact ceases. If the party claiming Force Majeure fails to give such notice within forty-eight (48) hours of the occurrence of the event or condition, that party may not claim Force Majeure as a defence hereunder. The party claiming a Force Majeure event or condition shall act diligently to remove or remedy such event or condition. When performance of the Purchase Order is halted by reason of Force Majeure, Buyer may terminate the Purchase Order immediately upon written notice to Supplier and Supplier shall only be entitled to compensation earned to time of notice plus any demobilization fee expressly provided for in the Purchase Order. For the avoidance of doubt, late delivery of services, purchased equipment and/or rental equipment caused by Supplier Group or caused by inefficiency on the part of Supplier Group, shall not constitute an event of Force Majeure.

### **Export Compliance**

17. Without prejudice to Vendor's obligations under any applicable master purchasing agreement or similar arrangement, Vendor agrees to abide by all U.S. and other applicable Government export laws and regulations, including, without limitation, those applicable to re-export or the transfer of controlled technology. If a license or other authorization is required by such laws or regulations for any product, service, technology or software obtained under this Purchase Order, Vendor shall apply for the applicable licenses and make copies available to Purchaser. Vendor will timely provide to the Purchaser the U.S. export compliance classification number (ECCN) of goods, services, technology or software provided under this Purchase Order and similar number under applicable export control regulations. Vendor agrees that no goods or services provided under this Purchase Order will originate from, or be transported on any vessel owned by or operating under the flag of, any country against which the United States has imposed comprehensive economic sanctions. Vendor agrees to indemnify Purchaser for any fines, penalties, claims, losses, damages, costs (including legal costs), expenses, and liabilities that may arise as a result of Vendor's breach of this provision.