

1 APPLICATION

1.1 These general conditions of purchase apply to all purchases carried out by the buyer unless otherwise agreed in writing. If the seller uses or refers to other general or special conditions, e.g. in his order confirmations or invoice documents, such conditions shall be deemed not to apply, unless explicitly agreed in writing.

2 ORDERS

2.1 All orders shall be issued or confirmed by the buyer in writing. Verbal orders which are not confirmed in writing shall be considered invalid.

2.2 If the final shipment address is different from the ordering address, the follow-up of the order and the shipment shall take place between the seller and the buyer's representative at the shipment address.

3 ORDER CONFIRMATION

3.1 Unless the seller has any objections to the buyer's order, the buyer's order confirmation form shall be signed and returned without alterations no later than 2 weeks after the order date. Any objections or questions to the order shall be notified in writing to the buyer as early as possible, and in no circumstances later than 5 work days after the order date.

3.2 Any deviations from the order or any modifications with respect to specifications, description, brand, drawings, etc. shall be approved in advance by the buyer.

4 INSPECTION

4.1 The buyer or anybody authorised by the buyer shall have the right, but not an obligation, at any time prior to delivery to carry out such inspections which are considered necessary in order to ensure that the goods are in accordance with the agreement.

4.2 The seller shall be required to assist with such inspections and shall immediately and at his own cost rectify any errors and defects demonstrated during the inspection.

4.3 The performance or omission of inspections shall not relieve the seller from his liability to ensure that the goods are in accordance with the agreement.

5 DELIVERY ETC.

5.1 In addition to what is stated in the order, complete delivery shall include everything which should naturally come with the goods, such as proper packaging, marking, certificates, and other necessary documentation.

5.2 Delivery shall take place at the specified time of delivery and at the place of delivery stated in the order. Unless otherwise expressly agreed, delivery shall take place DDP the buyer's place of business or designated shipment address. Terms of delivery shall be interpreted in accordance with the - at any time - latest version of Incoterms.

5.3 If the seller shall arrange for transport on behalf of the buyer and no transport instructions are given in the order, such transport instructions shall be obtained from the buyer's representative at the shipment address prior to dispatch.

5.4 Each packing list shall refer to one order only. If the shipment consists of several packages, each package shall be accompanied with a list of content. All packages shall be clearly marked in accordance with the packing list and according to directions stated in the order. For goods originating from EU or EFTA, a movement certificate shall be attached to the bill of lading.

5.5 The buyer reserves the right to return at the seller's risk and cost any shipment which is not packed or marked in accordance with the given instructions.

6 PRICE, INVOICING AND PAYMENT

6.1 The prices agreed and stated in the order are fixed unless otherwise agreed in writing. In addition to what is specified in the order, the prices include everything which should naturally come with the goods, such as packaging, marking, certificates, and other required supplier documentation.

6.2 When complete delivery has taken place, the seller shall submit a specified invoice to the buyer's invoice address. Each invoice shall cover one order only, and shall clearly refer to order's reference number. Partial invoicing will not be admitted unless specifically agreed. Order charges, invoice fees etc. will not be accepted.

6.3 Unless otherwise agreed, payment shall take place 60 days after receipt of correct invoice. In case of invoices submitted before delivery, or if the buyer has filed a complaint in respect of the delivered goods, the term of payment will be calculated from the date of receipt of correct delivery.

6.4 In case of delayed payment not caused by circumstances on the part of the seller, interest may be calculated in accordance with the Interests on Late Payment Act (Norwegian Act No. 100 of 17.12.1976) from the due date until payment takes place. However, the seller shall be liable for any costs due to late payment caused by inadequate or miss sent invoices.

7 DELAY

7.1 If the time of delivery set forth in the order is violated, the buyer is entitled to liquidated damages equivalent to 0,35 % of the total contract value per calendar day of delay, limited to a maximum of 10 % of the total contract value.

7.2 If the seller sees that the agreed time of delivery will be violated, he has a duty to notify the buyer immediately thereof and indicate the anticipated time of delivery, as well as the reason for the delay.

7.3 The seller undertakes to reduce any delay and its adverse effects to the extent possible.

7.4 If the delay is caused by errors or omissions on the seller's side, the buyer is entitled to damages in accordance with clause 9 in addition to liquidated damages

7.5 If the delay represents fundamental breach of contract, the buyer may terminate the purchase. The purchase may also be terminated if the seller fails to deliver within a reasonable final period determined by the buyer. If the purchase concerns item which must be considered readily merchantable, the buyer may at its option terminate the purchase once delay has occurred or it is evident that such a delay will occur.

8 WARRANTY AND DEFECTS

8.1 The seller guarantees that the goods in all respects comply with the agreed requirements, and that they are free from faults and defects of any kind.

8.2 Notwithstanding the agreed terms of delivery, the guarantee period shall expire 36 months after the goods have arrived at the buyer's final shipment address and the buyer has had the opportunity to verify that the goods are in accordance with the order. If the goods are to be resold or incorporated in products intended for sale, the guarantee period shall however expire 24 months after delivery of the goods or of the product into which the goods may have been incorporated to the buyer's customer.

8.3 If a defect for which the seller is liable occurs during the guarantee period, the defective goods shall without undue delay be repaired by the seller or replaced on the seller's account. If the seller is not willing to or able to remedy the defect with sufficient speed or quality, the buyer is entitled to remedy the defect by himself or by a third party for the seller's risk and account.

8.4 For repair work and replaced goods, the guarantee period shall be extended by another 36 months from the date when the rectification is complete and is approved by the buyer.

8.5 If the goods suffer from defects which are not fully rectified, the buyer is entitled to a reduction in the price. If the delivered goods and services contain material defects of such a nature that they cannot be repaired within reasonable time, the buyer is entitled to terminate the contract. The buyer may also claim damages for defects according to clause 9.

9 DAMAGES

9.1 The buyer may claim damages for any loss suffered as a result of delay on the part of the seller or as a result of defects. However, this shall not apply to the extent that the seller can establish that the delay or the facts that the goods are defective are caused by an impediment beyond his control which he could not reasonably have foreseen at the time of entering the agreement, and which – or the consequences of which – he could not reasonably have avoided or overcome.

10 OWNERSHIP

10.1 Title to the goods passes to the buyer upon delivery.

10.2 However, if prepayment is made, title to the goods shall pass to the buyer as payment takes place, even though the goods or parts thereof remain with the seller or his sub-suppliers. The seller shall nevertheless carry the risk for the goods until they are delivered.

10.3 All assets to which title in accordance with clause 10.2 passes to the buyer while they remain with the seller or his sub-suppliers, shall be marked by the seller as the buyer's property and kept separate from property belonging to others. The seller shall also ensure that the said assets are not subject to any liens to the benefit of the seller or third party.

11 CONFIDENTIALITY

11.1 All information provided by the buyer to the seller in connection with the order, shall remain the buyer's property. Without the buyers' consent, such information shall not be used for any other purpose than the fulfilment of the order. The seller undertakes to keep confidential all such information he may receive and to impose an equivalent obligation of confidentiality on all employees, sub-suppliers and sub-suppliers' employees.

12 GOVERNING LAW AND DISPUTES

12.1 These conditions of purchase shall be governed by an interpreted in accordance with Norwegian law.

12.2 Disputes arising in connection with these conditions of purchase or in connections with agreements governed by these conditions of purchase, and which are not resolved by mutual agreement, shall be settled by court proceedings unless the parties agree otherwise. Any court proceedings shall be brought before the District Court (Stavanger tingrett) located in Stavanger.