

- DEFINITIONS**
- 1.1 "The Agreement" means Seller's confirmation of Buyers purchase order, these General Conditions for Purchase, technical documentation and other documents made part of this Agreement by special reference. In case of contradiction, the documents of the Agreement shall apply in the order of precedence as stated above.
- 1.2 "The Price" means the amount to be paid by buyer for the Goods in accordance with the purchase order and variation orders made in accordance with clause 10.
- 1.3 "The Goods" means services, documentation, equipment, material and other items to be delivered to Buyer by Seller in accordance with the Agreement.
- 1.4 "Seller" means the company or the individual the purchase order is issued to.
- 1.5 "Buyer" means TCO AS.
- 2 PURCHASE ORDER - CONFIRMATION/AGREEMENT**
- 2.1 Buyer's purchase order shall immediately or at the latest within 7 days, be confirmed by Seller by returning it accepted and signed. If Seller fails to return the purchase order confirmation within 7 days, Buyer's purchase order shall be deemed to have been accepted without comments. Buyer is entitled to cancel the purchase order if the purchase order confirmation is not in accordance with the purchase order or if not received within 7 days.
- 2.2 The purchase order confirmation shall always state the Product description, Price, time and the place of delivery.
- 2.3 This Agreement constitutes the entire contract between the parties and shall have precedence over any inquiry, bid and agreements previously made between the Parties.
- 3 DELIVERY**
- 3.1 The Goods shall be delivered, properly packed and marked, at the agreed place and time of delivery. Unless otherwise expressly stated in the Agreement, delivery shall take place in accordance with the provisions of INCOTERMS 2000.
- 3.2 If Buyer is responsible for transportation, Seller shall in good time prior to dispatch, request dispatch instructions from Buyer. If Seller is responsible for transportation, he shall as soon as possible, and not later than the date of dispatch, send an advice note, advising of dispatch so that Buyer may make preparations for receipt of the Goods.
- 3.3 If Seller has reason to assume that any part of the delivery may be delayed, he shall notify Buyer promptly thereof. Seller shall, without undue delay, and no later than 10 days after such notification, inform Buyer in writing about the cause of the delay, the estimated effect on the agreed time of delivery and proposed remedial actions to avoid or reduce the delay.
If Seller's remedial actions to avoid or reduce the delay are deemed to be inadequate, Buyer may demand Seller to effect measures considered necessary. The costs of such measures shall be borne by Seller. If the delay is caused by circumstances for which Buyer is responsible, Buyer may only demand that such measures are put into effect in accordance with the provisions given in clause 10.
- 4 DOCUMENTATION AND MARKING**
- 4.1 Packing lists, advice notes, invoices and other documentation shall be duly marked with purchase order number and part number(s) and other specifications stated in the purchase order. The documentation shall be completed so that each item corresponds to the purchase order with respect to item number, part number, Goods description and specifications.
- 4.2 Seller shall mark the Goods according to instructions stated in the purchase order. Seller shall also mark the Goods in conformity with the applicable EU directives and any national rules relating to marking. If CE marking is required, Seller shall attach a manufacturer's declaration of conformity or a certificate of conformity.
- 4.3 In the case of Goods of EEC or EFTA origin, Buyer or any third party specified by Buyer, shall be supplied with a certificate of origin and custom invoice.
- Costs incurred by Buyer due to lack of certificate of origin or custom invoices shall be charged to Seller and deducted by the Purchase Price.
- 4.4 Any documentation which do not comply with the conditions of Article 4 will be returned by Buyer. Any certificates and other documents specified in the purchase order shall be delivered together with the Goods. Delivery of documentation is considered to be part of the Goods and invoices shall not be paid until it has been received.
- 5 QUALITY ASSURANCE AND ENVIRONMENTAL MANAGEMENT**
- 5.1 A quality assurance system according to the ISO 9000 series or a corresponding system shall have been established and implemented by Seller.
- 5.2 Buyer reserves the right to approve and carry out audits of the quality assurance and environmental management system of Seller or any sub-contractors. Seller shall provide any necessary assistance in this respect.
- 6 PROPRIETARY RIGHT**
- 6.1 Unless otherwise agreed, Seller shall mark and keep the Goods, as well as materials and equipment belonging to Buyer stored at the place of production, separate from items belonging to Seller or a third party.
- 6.2 The Goods shall become the property of Buyer gradually as parts of the Goods are paid for or as parts of the Goods are identified, marked or separated, whichever occur earliest.
- 6.3 Seller is not entitled to retain the whole or part of the Goods as security for claims on Buyer, notwithstanding any dispute in respect of Seller's compensation.
- 7 FINANCIAL SECURITY**
- 7.1 If requested, Seller shall provide a guarantee in accordance with Buyer's requirements, which at all times corresponds to 10% of the Price. Unless otherwise is separately agreed the guarantee shall be handed over at the same time as the purchase order confirmation or at the latest 14 days after

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- signed Agreement. The guarantee shall remain valid for its full amount until expiration of the guarantee period according to clause 13 below or until all guarantee work is completed whichever is the later.
- 7.2 Buyer is entitled to withhold payment of any invoice form Seller until a valid Bank Guarantee is provided.
- 8 PRICE, PAYMENT AND AUDIT**
- 8.1 The Price is fixed and firm and shall not be subject to escalation.
- 8.2 Unless otherwise agreed, payment shall be made not later than 45 days from receipt of a correct invoice. Buyer is entitled to withhold disputed parts of the invoice.
- 8.3 Buyer or his representative shall be entitled to audit all documentation concerning reimbursable work. This right lies with Buyer for the duration of the Agreement and for up to 2 years after the expiry of the year in which the Goods were delivered.
- 9 INSPECTION**
- 9.1 Seller shall search for errors or defects in Buyer's documentation and deliveries and shall notify Buyer without undue delay if errors or defects are identified.
- 9.2 Buyer and any person authorised by him are entitled to perform inspections and tests at Seller's premises as he deems necessary to ensure that the Goods are delivered in accordance with the Agreement. Seller shall provide assistance necessary in this respect. Likewise Buyer may request the submission of test records, material certificates and calculations.
- 9.3 The inspections and tests mentioned above shall not relieve Seller from any of his obligations under the Agreement. This also applies if Seller sends technical documentation or other documents to Buyer for inspection and possible approval.
- 10 VARIATION ORDERS**
- 10.1 Buyer is entitled to make any variations to the Goods, or part thereof. Such variations may include increase or reduction of scope of supply, character, quality, nature or design as well as change of delivery time, provided that such variations are within what the parties could reasonably expect when entering into the Agreement. The variation will be formalised by Buyer's issuance of a written variation order. Seller's obligations under this Agreement applies to all variations to the Goods.
- 10.2 Prior to issuance of a variation order, Seller shall, within 10 days after receipt of an inquiry from Buyer, prepare and send to Buyer an estimate describing the variation work, and inform about possible effects on price and delivery time. If Seller does not prepare an estimate as prescribed, Seller has thereby confirmed that the variation does not increase the price or the delivery time.
- 10.3 Unless otherwise stated in the Agreement, the effect of the variation order shall be agreed in writing between the Parties. The price shall reflect the price level of the original purchase order
- 10.4 At the request of Buyer, the variation order shall be implemented without undue delay, irrespective of whether or not the Parties have agreed regarding the effect of the variation on the Agreement.
- 11 SUSPENSION**
- 11.1 Buyer may temporarily suspend the work or parts thereof by written notification to Seller. Seller shall without delay, inform buyer of the effects the suspension will have on performance of the work. Seller shall resume the Work immediately after notification by Buyer.
- 11.2 During the suspension period, Seller is entitled to compensation for documented and necessary expenses in connection with demobilisation and mobilisation of personnel.
- 12 CANCELLATION**
- Buyer may cancel the Agreement by notification to Seller. In such case, Buyer shall pay the amount due to Seller for the documented part of the work actually performed on the Goods and necessary direct cost incurred by Seller as a result of the cancellation.
- 13 GUARANTEE LIABILITY**
- 13.1 Seller guarantees that the work is performed according to recognised standards of good workmanship. Seller also guarantees that the Goods complies with applicable laws and regulations, current technical standards and is in conformity with the purchase order, drawings and specifications, and that any design performed by Seller is fit for the intended purpose of the Goods. Seller further guarantees that materials and equipment used are new and of high quality.
- 13.2 Unless otherwise agreed, the guarantee period expires 24 months after the Goods have been taken into use for its intended purpose, but not later than 36 months after delivery.
- 13.3 If Seller has performed rectification work during the guarantee period, a new 24 months' period shall apply for the rectified parts of the Goods from the date of completion of the rectification work.
- 14 DEFECTS AND DELAYS**
- 14.1 Should the Goods have any defects, Seller shall immediately, or as otherwise instructed by Buyer, carry out the necessary repairs at no cost for Buyer. If Seller is not able to remedy a defect within a reasonable time after such notice, Buyer may himself or by third party, having notified Seller, carry out the necessary repairs for account and risk of Seller. In addition, Buyer may claim compensation and/or damages according to applicable law.
- 14.2 If the Goods are delayed, Buyer is, unless otherwise agreed, entitled to claim liquidated damages of 0.5 per cent of the Price for each calendar day of delay, limited to 15 per cent of the Price.
- 15 PRODUCT LIABILITY**
- Seller shall indemnify and keep Buyer harmless from any product liability claims which may be imposed on Buyer or which Buyer may incur vis-à-vis a third party in connection with Buyer or his successors use of the Goods to the extent that the liability is attributable to the Goods or Seller's instructions regarding, use, operation or maintenance of the Goods.

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16 TERMINATION

16.1 Buyer is entitled to terminate the Agreement with immediate effect if Seller becomes insolvent, is in substantial breach of the Agreement, if Buyer is entitled to maximum liquidated damages or it is evident that Buyer will be entitled to maximum liquidated damages. In case of termination of the Agreement, Buyer is, with the exceptions stated in clause 14, entitled to compensation and/or damages according to applicable law.

16.2 If the Agreement is terminated, Buyer is entitled to replace Seller in sub-contractor agreements, and to take over from Seller documentation, rights, equipment, material and any other items as are necessary for the completion of the Goods, by himself or by third parties.

16.3 Neither Party shall be liable to the other for indirect or consequential losses.

17 FORCE MAJEURE

17.1 Should events occur which the Parties could not reasonably have foreseen at the signing of the Agreement, which are beyond their control, and which prevent the Parties from fulfilling their contractual obligations, such events shall relieve the Parties of the duty to fulfil their contractual obligations for the time these events prevail.

17.2 A Party wishing to invoke Force Majeure must notify the other Party immediately thereof.

17.3 The Parties have the right to terminate the Agreement if the Force Majeure situation lasts for more than 120 days. In such case, Buyer may require the Goods to be delivered in its existing condition at the time of termination against payment of a proportionate share of the Price.

17.4 The Parties shall cover their own costs resulting from the Force Majeure situation.

18 INSURANCE

Seller shall provide and maintain insurance policies covering the liability possibly incurred as a result of the Agreement. In addition, he shall keep the Goods insured until delivery has taken place.

If requested, Seller shall submit insurance certificates. Buyer shall be covered by the insurance as additional insured, and Seller's insurance company shall waive its right of subrogation against Buyer.

19 SECRECY

19.1 Each Party shall keep secret all information received from the other Party in connection with this Agreement. Buyer shall, nevertheless, be entitled to transfer such information to a third party to the extent necessary in connection with the production, maintenance, modification, use and inspection of the Goods.

19.2 Seller shall not publish information regarding the Agreement without the Buyer's written approval. Such approval shall not be unreasonably withheld. On Buyer's request, Seller shall return all drawings, calculations and other documentation to Buyer.

20 OWNERSHIP OF DOCUMENTATION AND COMPUTER PROGRAMS, INDUSTRIAL PROPERTY RIGHTS

20.1 Documentation and computer programs placed at Seller's disposal by Buyer or which have been developed mainly on the basis of such information, is

the property of Buyer and shall not be used for other purposes than to execute the Agreement. On Buyer's request, Seller shall return such documentation and computer programs to Buyer.

20.2 Any inventions made by Seller during the execution of the Agreement shall be the property of Seller. Buyer shall, nevertheless, have the proprietary right to inventions which mainly are based on technical information received by Seller from Buyer. Seller shall notify Buyer of any such invention, and give Buyer the assistance necessary for Buyer to patent the invention. Buyer shall pay to Seller all reasonable expenses incurred by Seller in connection with such patenting.

20.3 Seller shall give Buyer an irrevocable, royalty free, non-exclusive right to use all inventions made by Seller during execution of the Agreement and all inventions which Seller becomes in control of to the extent necessary for the production, operation, maintenance or repair of the Goods.

20.4 It is Seller's duty to ensure that there is no conflict between the Goods or its application and the rights of any third party. Seller shall indemnify and hold Buyer harmless from any claims resulting from the infringement of any rights of a third party.

21 LIABILITY

21.1 Seller shall indemnify Buyer from and against any claim concerning:

- personal injury to or loss of life of any employee of Seller,
- loss of or damage to any property of Seller arising out of or in connection with the work

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of Buyer.

21.2 Buyer shall indemnify Seller from and against any claim concerning:

- personal injury to or loss of life of any employee of Buyer,
- loss of or damage to any property of Buyer arising out of or in connection with the work

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of Seller

21.3 In no event, whether as a result of breach of Agreement, warranty, indemnity, tort (including negligence), strict liability or otherwise, shall Seller or Buyer be liable towards the other party for loss of profit or revenues, loss of use of the Goods or of any special, consequential, incidental, indirect or exemplary loss or damages.

22 EXPORT CONTROLS

22.1 Seller shall comply with any export/re-export regulations in force in Seller's country or the country of origin.

22.2 Seller shall notify Buyer if the Goods are subject to export restrictions and, at the request of Buyer, give a written statement as to which export restrictions apply and whether a (re-)export licence is required for the country of destination in question.

22.3 Seller shall indemnify and hold Buyer harmless for any breach of export controls regulations in Seller's country or the country of origin caused by Seller's

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circumstances or by insufficient information from Seller.

23 HEALTH, SAFETY AND ENVIRONMENT

- 23.1 Seller shall comply with all applicable rules, regulations and standards regarding health, safety and environment and to hold and to comply with all requirements from local authorities through all the production phases until the Goods have been delivered. Seller shall comply with requirements from Buyer and Buyer's client regarding health, safety and environment.
- 23.2 Seller shall hold all necessary permits and comply with all requirements from public authorities for the preservation of the environment at all stages of production up to delivery of the Goods.
- 23.3 Seller shall ensure that its delivered products do not contain conflict minerals, ref. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

24 MARKETING

Seller may not use the Goods for its marketing without the written consent of Buyer.

25 ASSIGNMENTS AND SUB-CONTRACTS

- 25.1 Seller may not assign the Agreement or any part thereof, or conclude any sub-contracts without the prior written consent of Buyer. Limited use of hired manpower, and minor purchases do not require Buyer's consent.
- 25.2 Buyer may assign, wholly or in part, its rights and obligations under this Agreement to a third party.

26 NORWEGIAN LAW. DISPUTES

- 26.1 This Agreement shall be governed by and interpreted in accordance with Norwegian law, except for any rule of Norwegian private international law, which would refer such dispute, or part thereof, to the law of a jurisdiction other than Norway.
- 26.2 The Parties accept Bergen Tingsrett (Bergen District Court) as their legal venue.