

1. DEFINITIONS

- 1.1 Seller** shall mean the company selling the Product to the Buyer.
- 1.2 Buyer** shall mean KAEFER Energy AS, reg. no. 910 608 193.
- 1.3 Contract** shall mean the Purchase Order together with KAEFER Energy's General Conditions of Purchase, the separate contract document if drawn up, and any appendices.
- 1.4 Product** shall mean the deliveries, products, materials, goods, items or equipment sold by Seller to Buyer.
- 1.5 Purchase Order** shall mean a written order issued by Buyer to Seller for buying Products in accordance with article 4.
- 1.6 General Conditions** shall mean these General Conditions of Purchase.
- 1.7 Force Majeure** shall mean an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the Contract and could not reasonably have avoided or overcome it or its consequences.

2. GENERAL

- 2.1** In the event of any conflict between the provisions of the Contract documents listed in art. 1.3, they shall apply in the following order of priority:
- separate contract document, if drawn up,
 - Purchase Order,
 - KAEFER Energy's General Conditions of Purchase,
 - Appendices.
- 2.2** The Contract shall be interpreted in accordance with, and supplemented by, general principles of Norwegian contract law.

3. OFFERS

- 3.1** Offers shall be submitted without charge. Any deviations from the enquiry shall be expressly stated in writing.
- 3.2** The Buyer has the right to accept any offer or to reject all offers.

4. PURCHASE ORDER (PO)

- 4.1** Purchase Orders are only valid when they are made in writing, identified with Buyer's name and address and includes a Purchase Order number.
- 4.2** Seller shall sign the Purchase Order and return to Buyer no later than three (3) days after receipt of the Purchase Order, or issue a written order confirmation with reference to the Purchase Order number and project number within the same time limit.
- If Seller has not returned the signed Purchase Order or written order confirmation within 3 days, or notified Buyer of his objections within this time limit, the Purchase Order shall be considered signed by Seller and be valid.
- 4.3** The signed Purchase Order or written order confirmation shall be sent to purchasing@kaefer.no

5. DELIVERY, DELAY AND EFFECTS OF DELAYS

- 5.1** All Products shall be delivered as DAP (Ref. incoterms 2010).
- 5.2** If it has been agreed that the Seller is to erect the Product or that functional tests are to be carried out in connection with the delivery, delivery is not deemed to be complete until the tests or the erection work have been carried out and the Buyer has confirmed acceptance of delivery in writing.
- 5.3** The Seller shall immediately notify the Buyer in writing if there is reason to believe that the agreed delivery time cannot be met. Such notification shall state the cause of the delay and the likely overrun of the delivery time. The Seller is liable for direct and indirect losses suffered by Buyer which could have been avoided if the Seller had given the Buyer such notification in due time.
- 5.4** The Seller shall do his utmost to reduce the delay and damage resulting therefrom.
- 5.5** In case Seller is delayed, Seller shall pay liquidated damages to Buyer of 0,35% of the total Purchase Order price per day. However, Seller's liability

for liquidated damages under the Purchase Order is limited to 20% of the total Purchase Order price.

5.6 In case of delay the Buyer may also terminate the Contract and/or Purchase Order. The provisions of article 14.1 shall apply accordingly.

5.7 If the Products delivered have defects to the extent that they cannot be used for the intended purpose, this shall be deemed to be equal to delay.

6. SHIPPING, PACKING AND MARKING

6.1 Seller shall ensure that the Products are properly packed, secured and marked, and delivered at the time stipulated and at the agreed destination.

6.2 It is Sellers obligation to ensure that the Products are secured and packed in such a way that there is no damage to the Products during the transportation and handling.

6.3 All Products shall be packed in accordance with laws and regulations, Buyer`s and clients governing documents, relevant industry standards and regulations (WR0571, the Road Traffic Law ("Veitrafikkloven"), Norsok R-003, etc.).

6.4 All Products shall be marked in accordance with Buyer`s and clients instructions of packing and marking. Hereunder, all deliveries shall always be clearly marked with the Purchase Order number.

7. RETURN OF PRODUCTS

7.1 Seller shall supply returnable packages and other containers free of charge, unless otherwise previously agreed in writing. Buyer shall take reasonable care to ensure that the returnable packages are kept in good condition for a reasonable period after delivery, and shall make them available for collection. Seller shall arrange collection within a reasonable time.

8. DOCUMENTATION, DRAWINGS AND REPORTING

8.1 All documentation such as certificates, drawings, instructions etc. as specified in the Purchase Order or which must accompany the Products according to applicable regulations will be

considered part of the delivery, and one (1) copy of such documentation shall be submitted to Buyer at the same time as the Products are delivered. Foundation and installation drawings shall be submitted in adequate time before delivery of the Products, so as not to delay the Buyer`s preparatory work at the installation site. Unless agreed to the contrary, the description is to be in Norwegian.

8.2 Two sets of Material Safety Data Sheets are to accompany the delivery where required.

8.3 Buyer has the right to receive a summary of the total take-off for the current month, accumulated take-off in the current year, and accumulated take-off in the calendar year. This summary is to be divided into the various Product categories and Product/ article number.

9. QUALITY ASSURANCE AND CONTROL

9.1 The Seller shall have a satisfactory quality assurance and HSE system appropriate to the kind of Products in question. The relevant system requirements based on ISO 9001 and ISO 14001 or equivalent must be implemented. The Buyer shall at any time have the right to make inspections and tests at the Seller's premises and/or the premises of any sub suppliers in order to make sure that the Products are being made in accordance with the agreed system requirements and otherwise in accordance with the Purchase Order. The Seller is obligated to assist in carrying out such tests. The Buyer may likewise demand that test records, material certificates and calculations are presented.

9.2 The Seller shall ensure that all materials used in production or processes meet the health, safety and environmental regulations applicable in the country of production and sale.

9.3 The Seller shall ensure that the Products comply with the requirements stipulated in the chemicals lists published by the regulatory authorities.

9.4 When chemical substances or Products are supplied the Seller is

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responsible for ensuring that the statutory safety data sheets are registered/will be registered and maintained in the Product Information Database (PIB) in Norwegian, and for meeting the associated costs.

9.5 If at any time workmanship should prove to be deficient or in any other way unsatisfactory, the Seller is responsible for making the improvements which are necessary or which the inspector demands.

9.6 The costs of making and checking the improvements are for the Seller's account.

10. ASSEMBLY (NOT APPLICABLE)

10.1 If assembly work is applicable KAEFER Energy's General Conditions of Services will apply for such assembly work.

11. VARIATIONS

11.1 Buyer may, at any time, order variations to the Purchase Orders. This include, but is not limited to, changes of the specifications, scope of works, product design, processing, drawings, and construction, date and place of delivery, packaging, quality, quality and means of transportation.

11.2 If such variations influence the cost or schedule Seller shall inform Buyer in writing immediately, but no later than three (3) days after Buyer required the variation. If Seller has not notified Buyer of any such impacts he loses his right for an adjustment of the price and schedule.

11.3 If the parties cannot agree on such adjustment, Buyer may by written instruction demand that Seller performs the variation immediately.

11.4 All of Seller's obligations under the Contract shall also apply to variations unless otherwise agreed.

12. INVOICE AND PAYMENT

12.1 Buyer shall pay Supplier within the deadlines and according to the rules laid down in the Contract. The prices are fixed according to the Purchase Order.

12.2 Buyer will not pay for quality costs. Quality costs means costs that accrue

due to the measures that the Seller puts in place before delivery to mitigate for quality deviations from the requirements in the Contract which arose during Seller's execution of the delivery, and which cannot be ascribed to factors that Buyer is responsible for.

12.3 Except where agreed to the contrary, the following rules will govern invoicing:

a) Invoice to be sent to Buyer by Seller when delivery is dispatched from Seller's warehouse.

b) Partial delivery and partial invoice is not accepted, unless otherwise have been expressly agreed in writing.

c) Invoice to be sent electronically to invoice@kaefer.no

The invoice shall be sent in PDF format as one (1) document, including attachments.

Claims presented later than 45 calendar days after completion of delivery will not be paid.

d) The invoice shall be in accordance with the Purchase Order with all product items listed as in the Purchase Order.

e) The invoice shall be marked with KAEFER Energy, Purchase Order (PO) number, project and sub-number, contact person, and have attached necessary documents to support the invoiced amount.

f) When delivery is made according to the Purchase Order, Buyer shall pay approved invoice amount within 45 days of receipt of correct invoice.

g) 10% of payment will be detained until all specified technical documentation according to instructions in the Purchase Order and it's attachments are delivered.

h) If it has been agreed that Seller shall provide a bank guarantee, Buyer shall receive such guarantee before payment is made.

i) No invoice fee will be accepted.



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- j) Buyer may withhold disputed or undocumented amounts. assign its receivables to a third party or to have such receivables collected by a third party.

If it is later determined that Buyer was bound to pay the withheld amount, then Buyer shall pay interest according to the Default Interest (Interest on Overdue Payments) Act (Forsinkelsesrenteloven) of 17th December, no. 100 for 1976 from the due date of the invoice.

- k) When making payment, Buyer may deduct for amounts which Buyer may have in credit from Seller and where an offset arrangement is a legal entitlement.
- l) All payments shall be made in Norwegian kroner (NOK), unless otherwise agreed in advance.

12.4 All economic settlements, invoices and reports submitted to Buyer are to reflect in a comprehensive and correct manner all actual circumstances of the activity and transactions performed on Buyer's account or on Buyer's behalf. Buyer in his further use of the information shall be able to assume its completeness and accuracy.

12.5 Buyer has the right to audit the Seller for all settlements of "invoice work". Buyer during office hours shall have access to all time sheets, protocols and other documents, inclusive original invoices from subcontractors with associated documentation, which make up such "invoice work", plus all books of accounts where such accounting items are posted.

12.6 Buyer has the right to audit the Seller for the duration of this Contract and for maximum three (3) years after the end of the year when the Contract expires or is terminated and/or the final payment is made.

12.7 Payment or non-payment shall not prejudice Buyer's right to audit the Seller. If discrepancies are found, then a new settlement will be made, regardless of whether it benefits or is unfavourable to the Seller.

12.8 Without the previous written consent of Buyer, Seller shall not be entitled to

12.9 Buyer shall be entitled to rights of set-off against Seller unless prohibited by applicable law.

13. DEFECTS, WARRANTY PERIOD AND EFFECTS OF DEFECTS

13.1 The Products delivered shall meet the specifications of the Purchase Order, including the agreed performance and consumption figures and shall not have defects of any kind. Furthermore, the technical standard shall conform to what by modern technique can be demanded of design and first class workmanship, and the major spare parts for the Products shall be available throughout the normal lifetime of the Products, limited upwards to ten years. Utilisation and possible resale of the Products shall not conflict with any regulations imposed by public authorities nor with any third party's patent and/or other intellectual property rights.

13.2 The Seller's responsibility to deliver Products meeting the requirements of the Contract is not limited in any way by any inspections carried out by the Buyer prior to delivery nor by the Seller providing drawings, Products or samples for checking prior to delivery.

13.3 After delivery the Buyer shall, as soon as reasonable under the circumstances, check the Products. The Buyer is not obligated to check the Products before they are to be used according to the understanding of the parties, nor before any erection work has been completed. The Buyer's obligation to check the Products similarly applies when the Seller has made good defects.

13.4 The Buyer shall submit a complaint in writing within a reasonable time after he has discovered a defect. The period allowed for complaints expire 24 months after delivery, unless a longer warranty period has been agreed. For replaced or repaired parts an equivalent period for complaints applies from the time such replacement or repairs was completed. The period allowed for complaints does not run as long as the Products delivered are

inoperative as a result of repairs necessary for the Products to meet the requirements of the Contract.

13.5 If defects should occur within the period allowed for complaints, the Seller shall immediately make good such defects or deliver new Product, for his own cost. In addition, Buyer can claim damages in accordance with law for expenses incurred due to such defect.

13.6 If Seller is unable to rectify a defect or deliver new Product within 7 calendar days after being notified or if, then Buyer shall have the right to rectify the defect itself or to engage a third party to do so, for Sellers cost.

13.7 In case of defects the Buyer may also terminate the Contract and/or Purchase Order. The provisions of article 14.1 shall apply accordingly.

13.8 Buyer or clients approval of the delivery does not free Seller in any way from his obligations under the Contract.

14. TERMINATION

14.1 Buyer shall have the right to terminate the Contract and/or Purchase Order with immediate effect upon Seller's material breach of Contract. Buyer may always terminate the Contract and/or Purchase Order in case of Seller's delay and defects.

When Buyer terminates, Buyer is also entitled to present claim for liquidated damages for delay in accordance with article 5.5, and damages for defects in accordance with article 13.5.

Seller is not entitled to receive any compensation from Buyer due to such termination.

15. FORCE MAJEURE

15.1 Neither of the parties shall be considered in breach of an obligation under the Contract to the extent the party can establish that fulfillment of the obligation has been prevented by Force Majeure.

15.2 The party invoking Force Majeure shall, as soon as possible, notify the other party of the Force Majeure.

15.3 Each party shall cover its own costs resulting from the Force Majeure situation.

15.4 If a Force Majeure situation lasts without interruption for 180 Days or more, or it is evident that it will do so, then each party shall have the right to cancel the Contract by notice the other party.

16. INDEMNIFICATION

16.1 The parties shall indemnify each other from its own indirect losses.

17. CONFIDENTIAL INFORMATION

17.1 All information exchanged between the parties shall be treated as confidential and shall not be disclosed to a third party without the other party's written permission, unless such information (i) is already known to the party at the time the information was received, or (ii) is or becomes part of the public domain other than through a fault of Seller or Buyer, or (iii) is rightfully received from a third party, without an obligation of confidentiality.



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17.2 Each party may, however, use or disclose confidential information to a third party if (i) required by mandatory legislation, or (ii) to the extent necessary for the performance of and control of the Rental, in which case the parties shall ensure that the third party undertakes these confidentiality provisions in writing.

18. GOVERNING LAW AND JURISDICTION

18.1 This Contract shall be governed by and be subject to Norwegian laws.

18.2 Seller shall keep himself informed about and comply with all applicable laws and regulations.

18.3 Seller shall follow internationally recognised social and ethical standard business principles/code of conduct.

18.4 Disputes arising in connection with or as a result of the Contract, and which are not resolved by mutual agreement, shall be settled by court proceedings unless the parties agree otherwise. Any court proceeding shall be brought before Stavanger City Court.