

**AARBAKKE GROUP AS**  
**General terms and conditions for purchase**

**1. FIELD OF APPLICATION**

The following General Terms shall apply for all orders issued by Aarbakke to Suppliers unless otherwise specifically agreed. The General Terms shall also apply for future business transactions conducted with the Supplier, even if they are not particularly agreed in repetition.

**2. DEFINITIONS**

- 2.1 "Aarbakke" means Aarbakke Group AS and its subsidiaries at any time.
- 2.2 "General Terms" means these general terms and conditions for purchase.
- 2.3 "Goods" means materials, equipment, documentation and other goods to be delivered by the Supplier to Aarbakke pursuant to a Purchase Order.
- 2.4 "Price" means the total price of a Purchase Order, as originally set out or later amended.
- 2.5 "Purchase Order" means a purchase order issued by Aarbakke for Goods or Services to be delivered by the Supplier to Aarbakke.
- 2.6 "Services" means services to be provided by the Supplier to Aarbakke pursuant to a Purchase Order.
- 2.7 "Supplier" means a supplier of Goods or Services to Aarbakke pursuant to a Purchase Order.

**3. OFFER, ORDER AND ORDER CONFIRMATION**

- 3.1 All offers and cost estimates of the Supplier shall be free of charge and without obligation for Aarbakke.
- 3.2 Purchase Orders shall be effected by Aarbakke. The Supplier shall confirm the Purchase Order to Aarbakke within 2 business days as of receipt.
- 3.3 If an order confirmation should diverge from the contents of the preceding Purchase Order from Aarbakke, or if the Supplier fails to confirm the Purchase Order in accordance with Clause 3.2, then Aarbakke shall be bound and committed only if Aarbakke agrees to the deviation or the delayed confirmation in writing.
- 3.4 Divergent terms and conditions of the business of the Supplier shall only be valid if specifically accepted by Aarbakke in writing. This shall also apply to such cases where the Supplier refers to its own general terms and conditions in an offer or in an order confirmation.

**4. QUALITY ASSURANCE AND CONTROL**

- 4.1 Supplier shall have an established and documented Health, Safety and Environment (HSE) system and quality assurance system in accordance with applicable law and the ISO 9002 standard or equivalent standards. If design or engineering is included in the delivery, ISO 9001 shall be required.

- 4.2 Aarbakke or a third party appointed by Aarbakke has the right to make the verifications, inspections and tests, including audits, at the facilities of the Supplier and its subcontractors, in order to satisfy himself that the Goods will be manufactured and the Services performed according to the requirements of the Purchase Order. Such inspections and verifications do not relieve the Supplier from any obligations under the Purchase Order.
- 4.3 The Supplier shall verify that its subcontractor has an established and documented quality assurance system adequate for the Purchase Order. Subcontractors shall have no right to make claims towards Aarbakke. The Supplier shall not assign this Purchase Order or subcontract any part of same without prior written approval by Aarbakke. The Supplier is responsible for the acts and omissions of any subcontractors. Aarbakke may assign all or parts of its rights and obligations pursuant to the Purchase Order to any third party by written notice to the Supplier.
- 4.4 The Supplier shall before start of production use his professional skills to search for possible faults and omissions in the Purchase Order, including drawings, materials, design etc. provided by Aarbakke. The Supplier shall immediately notify Aarbakke in writing if such faults and omissions are discovered.

## **5. DELIVERY**

- 5.5 Unless otherwise set forth in the relevant Purchase Order, delivery shall be carried out Monday thru Friday, within normal business hours, in accordance with DDP, Delivery Duty Paid (in accordance with Incoterms 2000 of the International Chamber of Commerce) at the time and place indicated by Aarbakke in the Purchase Order.
- 5.6 The Goods shall be delivered properly packed and marked in accordance with the requirements in the Purchase Order.
- 5.7 During the performance of the work and at delivery, the Goods owned by Aarbakke shall be free of liens or retentions other than those for which Aarbakke in writing has accepted to be responsible.
- 5.8 The Supplier may under no circumstance refuse to deliver the Goods to Aarbakke even if full payment for the Goods has not been made.
- 5.9 If the Supplier has reason to believe that delivery of the Goods will be delayed, he shall immediately inform Aarbakke thereof in writing. Such notice shall include the reason for and the extent of the delay and shall state the corrective actions initiated in order to reduce the delay. If the Supplier's corrective actions, in Aarbakke's reasonable judgement, are not sufficient to reduce the delay, Aarbakke may require that the Supplier takes additional actions or take such actions itself, in each case for the Supplier's account.

## **6. VARIATIONS**

- 6.1 Aarbakke has the right to order variations in quality, quantity or time of delivery of the Goods, provided that such variations do not exceed what the parties could reasonably expect when the Purchase Order was executed by Aarbakke.
- 6.2 Variations shall be requested by Aarbakke in writing. The Supplier shall within 5 business days by written notice confirm any effects on Price, time of delivery and technical specifications. All adjustments in Price shall correspond with the pricing method and principles applied for the rest of the Purchase Order. If the Supplier does not issue such confirmation notice, it will be considered as having accepted

that the variation does not have any effects on the Price and time of delivery and this will be reflected in the variation order. The final variation shall be approved by Aarbakke in writing.

- 6.3 The variation order shall upon Aarbakke's written request be implemented, even if the parties have not reached agreement concerning the effects of the variation on Price, time of delivery and technical specifications.

## **7. DOCUMENTATION**

- 7.1 Delivery tickets and invoice shall be in accordance with the Purchase Order. These documents shall correspond with the Purchase Order regarding item number, description and specification. Each invoice shall be marked with Aarbakke's Purchase Order number.

- 7.2 All certificates and similar documentation shall clearly identify the specific items to which they relate.

- 7.3 The Goods shall be marked in accordance with the delivery ticket and instructions in the Purchase Order. If a shipment contains several parcels, every parcel shall have a specified table of contents.

- 7.4 All documentation specified in the Purchase Order, e.g. certificates, drawings, data-discs are considered to be part of the Goods.

## **8. TERMS OF PAYMENT**

- 8.1 Unless otherwise specifically set out in the Purchase Order, Aarbakke shall pay all invoices within 90 days after receipt of correct invoice, provided that all of the Supplier's obligations according to the Purchase Order are fulfilled. Aarbakke has the right to withhold any disputed amounts.

- 8.2 The Supplier is entitled to interest on overdue payments calculated in accordance with the applicable rate pursuant to the Norwegian interest on overdue payments act.

- 8.3 All prices are inclusive all taxes, import duties, VAT etc.

## **9. CANCELLATION**

- 9.1 Aarbakke has the right to cancel the Purchase Order by giving written notice to the Supplier. Aarbakke shall in such event pay to Supplier the unpaid amount due for the work already performed with respect to the Goods and Services and in addition all direct costs reasonably incurred by Supplier due to cancellation.

## **10. DEFECTS AND GUARANTEES**

- 10.1 The Supplier guarantees, for a period of 24 months following the date when the Goods are taken into use in accordance with its intended purpose, that the Goods and Services conform to the specifications in the Purchase Order and to any relevant public regulations, and that engineering performed by the Supplier is suitable for its intended purpose and that the Goods are free of fault in material, workmanship, design and function.

- 10.2 Aarbakke shall examine the Goods with reasonable time after delivery. If any defects are found, Aarbakke shall notify the Supplier thereof in writing within reasonable time thereafter.

10.3 If the Goods are found to be defective during the guarantee period, Supplier shall at his own cost immediately remedy the defects. If the Supplier is not able to remedy a defect within reasonable time after receipt of Aarbakke's notification, Aarbakke has the right to have this work done by itself or by third parties, in any event with all costs for the Supplier's account. If the defects are material and may not, in Aarbakke's opinion, be corrected within reasonable time, Aarbakke has the right to either require reduction in the Price, or terminate the Purchase Order according to Art. 12.

10.4 If any guarantee work is performed in the guarantee period, any replaced/repared parts of the Goods shall be guaranteed by the Supplier for a renewed period with the same duration as the original guarantee.

#### **11. DELAY BY THE SUPPLIER**

11.1 If delivery of the Goods has not taken place within the time of delivery set out in the Purchase Order, Aarbakke has the right to liquidated damages in an amount equal to 0.3% of the Price per day until delivery occurs. The Supplier's cumulative liability for liquidated damages is limited to 10% of the Price.

#### **12. TERMINATION DUE TO DEFAULT BY THE SUPPLIER**

12.1 Aarbakke has the right to terminate the Purchase Order with immediate effect by giving written notice to Supplier, if (i) the Supplier becomes insolvent, (ii) the Supplier is in material breach of its obligations hereunder, or (iii) the Supplier has become liable for maximum liquidated damages pursuant to Art. 11.

12.2 In addition to termination of the Purchase Order, Aarbakke is entitled to recover from the Supplier any costs, losses or damages suffered by Aarbakke due to such termination.

#### **13. FORCE MAJEURE**

13.1 Neither of the parties shall be considered to be in default in performance of their obligations under the Purchase Order to the extent such performance has been prevented by an event which is considered as a qualified force majeure event under general principles of Norwegian contract law.

#### **14. INDEMNITY, LIABILITY**

14.1 The parties shall mutually indemnify and hold each other harmless from all loss or damage to their respective property and personnel that may arise in connection with the Purchase Order. This shall apply irrespective of how the loss or damage is caused. Neither Aarbakke nor the Supplier shall be liable for any consequential or indirect losses.

14.2 The Supplier shall indemnify Aarbakke and hold him harmless against all loss or damage caused to third parties by the Supplier.

#### **15. TITLE TO THE GOODS**

15.1 Title to the Goods shall pass to the Aarbakke as the work progresses and when parts are identified and marked for the purpose of the Purchase Order. Supplier shall clearly mark these materials and if possible, keep these items separated from other materials.

15.2 Risk of loss of or damages to the Goods shall pass upon delivery.

**16. INTELLECTUAL PROPERTY RIGHTS**

- 16.1 The Supplier shall indemnify and hold Aarbakke harmless from and against any losses incurred by Aarbakke based on claims for patent, trademark, copyright or other intellectual property right infringements arising from the purchase, installation or use of the Goods or Services.
- 16.2 In so far as any Purchase Order, as whole or in part, contains design work or the development of software, all results of such performances shall be the exclusive property of Aarbakke.
- 16.3 Drawings, specifications, data-discs and other information or documentation provided by Aarbakke to Supplier shall remain the property of Aarbakke and shall not be disclosed to any third party without Aarbakke's prior written approval. Aarbakke may require the Supplier to execute a separate declaration of confidentiality to this effect.

**17. GOVERNING LAW AND DISPUTES**

- 17.1 The Purchase Order shall be governed by and construed in accordance with the laws of Norway.
- 17.2 Any disputes that may arise from the Purchase Order shall be subject to the exclusive jurisdiction of the Norwegian courts with Stavanger city court as agreed venue.

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