

Standard Purchasing Terms and Conditions

1. APPLICATION

- 1.1. These terms and conditions of purchase apply unless otherwise agreed upon in writing.
- 1.2. If the Seller uses or refers to any other general or special delivery conditions, such as in their order confirmations or invoice documents, the discrepancy will be without effect for the purchase, unless the parties expressly agree otherwise in writing.

2. OFFER

- 2.1. The offer is made free of charge. Any deviation from the Buyer's request must be explicitly specified.
- 2.2. The Buyer has the right to accept or discard any offer.

3. ORDERING AND ORDER CONFIRMATION

- 3.1. Only written orders are binding for the Buyer.
- 3.2. The Seller's order confirmation must be signed and returned no later than 5 working days after receipt of the order.

4. DELIVERY, TIME OF DELIVERY

- 4.1. The delivery must be properly packaged, labelled and delivered within the stipulated time at the agreed place.
- 4.2. Delivery must be carried out by DDP at the agreed place of delivery (Incoterms 2010), unless otherwise expressly agreed upon or provided for in Section 4.3.
- 4.3. However, if it is agreed that the Seller will carry out assembly or commissioning or that in connection with delivery, functional tests will be carried out, delivery will only be considered to have taken place when the assembly, commissioning or tests have been completed and the Buyer has confirmed in writing that the delivery has been accepted.
- 4.4. The Seller bears the risk of loss or damage to the delivery, as well as all costs in this regard, until delivery has taken place.

5. REQUIREMENTS FOR QUALITY ASSURANCE AND HSE

- 5.1. The Seller must have satisfactory quality assurance and an HSE system that is adapted to the nature of the purchase. Relevant system requirements based on ISO 9001, OHSAS 18001 and ISO 14001 or equivalent must be met.
- 5.2. The Seller must ensure that all materials used in the production or process meet the health, safety and environmental regulations in the country of production and sale.
- 5.3. The Seller and its subcontractors must ensure that the UN Human Rights and the ILO guidelines are safeguarded.
- 5.4. The Seller must ensure that the delivery/products meet the regulatory requirements for chemicals. REACH regulations must be safeguarded.
- 5.5. When delivering chemical substances and products, the Seller is responsible for ensuring that regulatory safety data forms have been registered/recorded and maintained in the Product Information Bank (PIB) in Norwegian, and cover all costs for this.
- 5.6. The Buyer is entitled to perform quality audits with the Seller and its suppliers.
- 5.7. The Buyer has the right at any time to carry out investigations and checks on the Seller and/or the Seller's suppliers to ensure that the delivery is carried out in accordance with the agreed requirements, and the Seller will assist the Buyer in these types of checks. Likewise, the Seller must provide

Standard Terms of Purchase

Process Vennesla / Project / Acquisition
Date approved 15.02.2019 (Bent Ståle Johansen)

Document Category Instructions

sample protocols, material certificates, calculations and other documentation required by the Buyer.

- 5.8. It is the responsibility of the Seller to rectify any errors or defects immediately and at his own expense, which are revealed through Buyer's inquiries, checks and audits.
- 5.9. Neither carried out nor failed investigations, checks or audits on the part of the Buyer exempts the Seller from the responsibility that the delivery complies with the agreed requirements.

6. DRAWINGS AND DOCUMENTATION

- 6.1. All documents such as certificates, drawings, product data, instructions, etc., or otherwise as specified in the order, are considered as part of the delivery. The same applies to documentation not specified in the order but which is mandatory in accordance with applicable regulations, or which is necessary in order to make use of the delivery, including but not limited to the certificate of origin and certificate of conformity.
- 6.2. The Buyer may require the Seller to provide 1 hard copy of assembly information and detailed drawings of the individual parts of the deliveries, and 2 hard copies of other documentation required for assembly, operation and maintenance, as well as material declarations and spare parts lists with manufacturer identification. The Seller must provide complete documentation in an electronic version in open file formats that are approved by the Buyer. Such documentation must, unless otherwise agreed upon, be delivered at the same time as the other delivery. However, foundation and construction drawings must be delivered well before the other delivery, so that the Buyer's preparatory work at the installation site is not delayed.

7. INSTALLATION

- 7.1. If installation is included as part of the Seller's delivery, the Seller must submit an installation plan in plenty of time before the installation itself, which also clearly shows the services that the Buyer must provide according to the agreement.
- 7.2. The installation work must be performed within the framework of the rules of safety, working conditions and the like which apply at the installation site.

8. CHANGES

- 8.1. The Buyer has the right to prescribe any changes in the delivery that may be desirable, and the Seller is obliged to implement them, as long as the changes are within what the parties could reasonably expect when the agreement was signed. Such changes may involve, but are not limited to, changes in the scope of supply or quality, changes in the technical specifications, as well as changes in the time of delivery.
- 8.2. If the Seller wishes to make it clear that the notified changes entail a change in price or delivery time, he/she must notify the Buyer in writing before the change is implemented. If the Seller fails to do so, he/she will lose the right to subsequently invoke the change as a basis for increasing the price or postponing delivery time.
- 8.3. Remuneration for changes should be in accordance with the initial price and profit level of the agreement. If changes result in savings for the Seller, the Buyer must automatically be credited for this.
- 8.4. If the parties disagree on the price effect of a change, the Seller must still implement the change without waiting for final resolution of the dispute if the Buyer so requests.

9. CANCELLATION

Standard Terms of Purchase

Process Vennesla / Project / Acquisition
Date approved 15.02.2019 (Bent Ståle Johansen)

Document Category Instructions

- 9.1. The Buyer may, upon written notice to the Seller, cancel the delivery in whole or in part.
- 9.2. After such cancellation, the Buyer must pay the Seller for the work already performed, as well as cover documented and necessary expenses arising as a direct result of the cancellation. Beyond this, the Seller is not entitled to any compensation due to such cancellation.

10. PAYMENT

- 10.1. The Buyer must pay the Seller the price stated in the agreement. The price is fixed and exclusive of VAT. The agreed price is valid for the complete delivery and includes everything that is not specifically excluded in the order.
- 10.2. Unless otherwise agreed, payment must be made 60 days after the correct invoice has been received, provided that contractual delivery has taken place.
- 10.3. All invoices must include the order number, and any other references required by the Buyer, and should clearly indicate what the individual charges apply to. Invoicing fees and similar are not accepted. The Buyer has the right to return invoices that do not meet these conditions.
- 10.4. If it is agreed that the Seller must provide a bank guarantee, the Buyer is not obliged to make payments until he has received such a guarantee. The same applies if it is agreed that the Seller must provide copies of insurance certificates or the like.
- 10.5. The Buyer may make a deduction in the invoice received for advance payments, the disputed or insufficiently documented amount, or the amount the Buyer or other companies in the Tratec Group have to pay from the Seller.

11. DELAYS

- 11.1. The Seller must immediately notify the Buyer in writing if there is reason to believe that the agreed delivery time cannot be met. The notification must state the reason for the delay and the estimated delivery time. If the Seller fails to give such notice, he/she shall, without regard to the provisions of clause 11.3, be liable for any loss suffered by the Buyer and which could have been avoided if the Seller had given the Buyer notice in due time.
- 11.2. If delivery has not taken place on time, or it is clear that such a delay will occur, the Buyer has the right to maintain or cancel the order in whole or in part. For deliveries that the Seller must manufacture separately for the Buyer according to his duties or wishes, and that the Seller cannot dispose of otherwise without material loss, the Buyer may terminate only if the delay entails substantial breach of contract. When the maximum liquidated damage is reached, the Buyer can always cancel regardless of the nature of the purchase.
- 11.3. In case of delay not due to force majeure or circumstances for which the Buyer is responsible, the Seller must pay liquidated damages for each calendar day the delay lasts. Liquidated damages per day will constitute 0.2 % of the total purchase order. Liquidated damages will not exceed 10% of the total purchase order. Total purchase order means the sum of the amounts in the primary order and any additional orders under the same order number.
- 11.4. If the delay is due to fault or neglect on the part of the Seller or someone he/she is responsible for, instead of the liquidated damages, the Buyer can claim compensation under applicable law for the full financial loss he suffers as a result of the delay, regardless of the limitation set out in clause 11.3.
- 11.5. The Seller is obliged to make every effort to minimise the delay and damages as result of this.

12. WARRANTY AND DEFECTS

Standard Terms of Purchase

Process Vennesla / Project / Acquisition
Date approved 15.02.2019 (Bent Ståle Johansen)

Document Category Instructions

- 12.1. The Seller guarantees that the delivery meets the agreed requirements, including the agreed performance and consumption figures, and that it has no faults or defects of any nature. The Seller further guarantees that all work done by the Seller, including any construction work, is expertly performed and suitable for the purpose for which it is intended.
 - 12.2. The Seller is responsible for all defects that appear during the warranty period. The warranty period expires 5 years after delivery. The warranty period is extended from the time of delivery if it cannot be used due to defects. For replaced or repaired parts, a corresponding new warranty period runs from when the replacement or repair is completed.
 - 12.3. If defects occur within the warranty period, the Seller must immediately, or later if the Buyer has a reasonable reason for demanding such postponement, rectify the deficiencies at his/her own expense.
 - 12.4. If the Seller does not undertake, within a reasonable time, what is necessary to bring the delivery into contractual condition, the Buyer is entitled to, either by himself or through others, rectify the fault at the expense and risk of the Seller. The same applies if it will cause significant inconvenience to the Buyer to await the Seller's rectification. In such cases, the Seller must be notified before rectification is implemented.
 - 12.5. If the Seller does not rectify the defect within a reasonable amount of time or does not fully rectify the defect, the Buyer may demand a proportional price reduction.
 - 12.6. The Buyer may terminate the purchase agreement if the defect involves substantial breach of contract.
 - 12.7. The Buyer may also claim damages under applicable law for losses suffered as a result of deficiencies. If the delivery is defective in such a way that it cannot be used for the intended purpose of the Buyer, the Buyer may choose to claim liquidated damages as specified in section 11.3 for the period in which the delivery cannot be used, instead of compensation.
13. FORCE MAJEURE
- 13.1. Force majeure means an event beyond a party's control that he/she could not have foreseen when the agreement was concluded and which he/she cannot have reasonably been expected to overcome or to have averted the consequences.
 - 13.2. Neither party shall be deemed to have breached a contractual obligation to the extent that it can demonstrate compliance has been prevented by force majeure.
 - 13.3. The party wishing to invoke force majeure must, as soon as possible, notify the other party of the force majeure situation, its cause and its estimated duration.

Standard Terms of Purchase

Process Vennesla / Project / Acquisition
Date approved 15.02.2019 (Bent Ståle Johansen)

Document Category Instructions

14. PROPERTY RIGHTS

- 14.1. The Buyer becomes the owner of the delivery upon delivery.
- 14.2. However, if prepayment is made, the property right of the delivery will pass to the Buyer as payment is made, even if the delivery or part thereof is with the Seller or his/her suppliers. However, the Seller carries the risk for the delivery until delivery has taken place, cf. Section 4.4.
- 14.3. Models, tools or equipment for fulfilling the delivery that the Buyer has ordered are the Buyer's property. The same applies to models, tools or equipment that the Seller manufactures for payment from the Buyer, either in the form of a separate purchase price or as part of the purchase price for the delivery, and these become the Buyer's property as soon as they are manufactured and ready for use.
- 14.4. The Seller must mark the delivery and other things belonging to the Buyer as the Buyer's property, keep this separate from the Seller's and Third Party's property and ensure that no part of this is subject to collateral for the benefit of the Seller or a Third Party.

15. PATENT INFRINGEMENT

- 15.1. The Seller will indemnify the Buyer for any claim arising from the fact that the delivery or use of the delivery or any part thereof constitutes an infringement of a third party's patent or other intellectual property rights, except where this is a necessary consequence of the Buyer's instructions or specifications and the Seller did not know or should know that such intervention existed.

16. BANK GUARANTY

- 16.1. In the case of manufacturing purchases, the Buyer may in certain cases require the Seller to provide an unconditional bank guarantee of 10% of the total purchase order. In this case, the bank guarantee will be issued by the Bank approved by the Buyer and will be valid until the deadline for the complaint has expired.

17. CONFIDENTIALITY

- 17.1. All information regarding the Buyer's business, products and the like that the Seller has access to through cooperation with the Buyer, must be treated as corporate secrets of the Buyer. Such information must be kept confidential and not used for any purpose other than the fulfilment of the purchase agreement. The Seller is liable for any loss suffered by the Buyer as a result of breach of these obligations.

18. COURT SELECTION AND VENUE

- 18.1. These General Terms and Conditions and any agreement concluded on the basis of these Terms are subject to and construed in accordance with Norwegian law.
- 18.2. All disputes regarding the agreement that are not resolved amicably must be settled by court proceedings unless the parties agree otherwise. Lawsuits must be brought before the Kristiansand District Court.