

## GENERAL CONDITIONS OF PURCHASE

These General Conditions of Purchase shall apply in its entirety unless other conditions, or parts thereof, are agreed upon in writing between JOTNE and SUPPLIER.

### 1 DEFINITIONS

JOTNE	:	Jotne Industrier AS with subsidiary companies
SUPPLIER	:	The company or person supplying the agreed and specified services and/or GOODS
GOODS	:	Object(s) and/or services, which the SUPPLIER shall deliver to the JOTNE
PURCHASE ORDER	:	All documents, including but not limited to, General Conditions of Purchase, any special conditions, specifications, drawings, statutory regulations, PURCHASE ORDER documentation and any appendices, amendments and variations to the said documents.
PURCHASE PRICE	:	The aggregate of all sums payable to SUPPLIER as specified in the PURCHASE ORDER

### 2 TENDERS

2.1 Cost relating to the preparation and submission of tenders shall be borne by the company or person supplying the tender. Deviations from the tender documents shall be specified in writing.

### 3 PURCHASE ORDER

3.1 The PURCHASE ORDER constitutes the entire agreement between JOTNE and SUPPLIER, and shall take precedence over the tender documents, the bid and any agreements previously made between JOTNE and SUPPLIER.

3.2 No amendments, additions, deletions or variations to cost/schedule/specifications related to this PURCHASE ORDER shall be considered binding by JOTNE unless verified in writing by JOTNE.

3.3 SUPPLIER shall immediately confirm the PURCHASE ORDER by submitting a Purchase Order Confirmation. If the Purchase Order Confirmation is received by JOTNE more than 14 days after the PURCHASE ORDER date, JOTNE may, to its sole discretion, cancel the PURCHASE ORDER, at no cost to JOTNE.

### 4 PRICE

4.1 The prices stated in the PURCHASE ORDER shall be considered fixed and firm unless expressly agreed to the contrary.

4.2 In the case of deliveries charged on a reimbursable basis, payments will not be due pursuant to Clause 5 until JOTNE has had reasonable time to control and accept all documentation upon which the invoices are based.

4.3 JOTNE does not accept invoice charges, dispatch charges etc.

## 5 TERMS OF PAYMENT

5.1 JOTNE shall make payment within 45 days of receipt of a correct invoice, provided that all SUPPLIER'S obligations pursuant to the PURCHASE ORDER have been fulfilled and complete delivery including all specified and agreed documentation pursuant to the delivery or part delivery have taken place.

JOTNE may, however, to its sole discretion withhold payments disputed by JOTNE if JOTNE have reasons to believe that there are outstanding claims on SUPPLIER from authority bodies like tax office, custom office or equivalent governmental and private institutions.

5.2 If delivery takes place earlier than agreed, the payment date(s) shall nevertheless be as specified in the PURCHASE ORDER.

5.3 Interest on overdue payments shall be payable pursuant to the Norwegian Act relating to Overdue Payments Act of 17. December 1976 (Moranteloven).

5.4 If advance payments are agreed upon, SUPPLIER shall provide a guarantee on request, issued by a bank acceptable to JOTNE, for a corresponding amount. This guarantee shall expire on GOODS delivery date(s).

## 6 DELIVERY INSTRUCTIONS

6.1 The provisions of INCOTERMS 2010 shall apply to the delivery.

6.2 If SUPPLIER is responsible for the transportation, he shall in good time prior to dispatch request dispatch instructions from JOTNE. He shall also as soon as possible, and no later than on the date of dispatch, send an advice note advising of dispatch so that JOTNE can prepare for receipt of the GOODS.

6.3 Packing lists/invoices etc. shall relate to each corresponding PURCHASE ORDER and shall be duly marked according to specifications stated in the PURCHASE ORDER. Packing lists/invoices shall be completed so that each item corresponds to the PURCHASE ORDER with respect to item numbers, GOODS description and specifications.

6.4 All GOODS shall be duly marked in accordance with packing lists and instructions stated in the PURCHASE ORDER. If the consignment consists of more than one package, each package shall contain a detailed list of contents.

6.5 Packing lists shall specify gross weights for all GOODS.

6.6 Certificates and other documentation specified in the PURCHASE ORDER shall be delivered together with the GOODS unless otherwise agreed in writing with JOTNE. These documents are considered a part of the delivery and invoices will not be paid until the documents have been received and approved by JOTNE.

6.7 In the case of imported GOODS requiring a Certificate of Origin, such certificate and a customs invoice, shall be submitted to JOTNE or as otherwise specified by JOTNE.

6.8 Costs incurred by JOTNE due to the lack of a Certificate of Origin or customs invoices shall be charged to SUPPLIER and deducted from the PURCHASE PRICE.

## 7 TIME OF DELIVERY / DELAYED DELIVERY

7.1 The delivery shall take place at the agreed time of delivery. SUPPLIER shall not be deemed to have fulfilled his obligations until all items specified in the PURCHASE ORDER have been completely delivered. Partial deliveries will not be accepted and cannot be considered to be partial fulfilment of SUPPLIER'S obligations unless accepted in writing in advance by JOTNE.

7.2 SUPPLIER shall immediately and without undue delay notify JOTNE in writing if there are reasons to believe that the agreed delivery time cannot be met. Such notification shall state the cause of the delay and the expected delay. SUPPLIER shall also inform JOTNE which actions he will take in order to avoid or

minimize the delay. SUPPLIER is liable for JOTNE's direct and indirect losses arising as a result of SUPPLIER'S late notification.

7.3 If delivery is delayed, JOTNE is entitled to liquidated damages of 0,35% of the total PURCHASE PRICE per commenced calendar day. The total liquidated damages shall not exceed 15% of the total PURCHASE PRICE. Notwithstanding the above, in case of gross negligence on the part of SUPPLIER or someone responsible and liable to SUPPLIER, JOTNE is entitled to be compensated by SUPPLIER for direct and indirect losses incurred as a result of the delay.

7.4 If delivery is or anticipated to be delayed and the delay will be of major consequence to JOTNE, JOTNE may cancel the PURCHASE ORDER at no cost to JOTNE.

7.5 SUPPLIER shall do his utmost to reduce the delay and damage resulting from it. If SUPPLIER invokes force majeure, satisfactory documentation must be submitted.

## **8 CHANGES IN THE PURCHASE ORDER SPECIFICATIONS / CANCELLATION**

8.1 JOTNE has the right at any time to make changes to the PURCHASE ORDER documents.

8.2 SUPPLIER shall, without undue delay, and within 14 days, inform JOTNE in writing of the effects the change order will have on the price, time of delivery and technical specification. If SUPPLIER fails to provide such information within 14 days, he shall lose his right to demand an adjustment of the price and/ or delivery time as a result of the change. Changes agreed upon shall be confirmed by JOTNE issuing a change order. SUPPLIER in accordance with Clause 3 above shall thereafter confirm this change order. Change orders shall be implemented immediately.

8.3 Disagreement about compensation in respect of such change orders, shall not entitle SUPPLIER to hold back delivery.

8.4 JOTNE has the right at any time to cancel the PURCHASE ORDER. JOTNE shall pay the unpaid balance due to SUPPLIER for GOODS already delivered. SUPPLIER shall be compensated for documented and reasonable costs related to GOODS not yet delivered, provided that SUPPLIER does his utmost to minimize these costs.

## **9 ASSIGNMENT OF JOTNE'S RIGHTS AND OBLIGATIONS**

9.1 JOTNE has the right to assign his rights and obligations under this PURCHASE ORDER to any third party, provided, that such third party can fulfil all JOTNE'S obligations towards SUPPLIER.

9.2 Such third party has the right to assign his rights and obligations under this PURCHASE ORDER on the same conditions.

## **10 GUARANTEE, DEFAULT AND INSOLVENCY**

10.1 SUPPLIER shall ensure that the GOODS comply with standards of good workmanship, the PURCHASE ORDER specifications and applicable laws and regulations. SUPPLIER undertakes free of charge to repair all defects caused by faults in construction, materials or production, during a period of at least 18 months from the date the GOODS are put into use for their intended purpose. The maximum guarantee period is, however, limited to 24 months from the delivery date. In the event that the GOODS are out of use for a period due to SUPPLIER'S default, the guarantee period shall be extended by such period.

10.2 Parts that are replaced / repaired in accordance with the above guarantee provisions shall have a renewed guarantee period equal to the original guarantee period.

10.3 SUPPLIER undertakes under the above guarantee that the GOODS shall be rectified to comply with the PURCHASE ORDER or replaced by new GOODS without undue delay and at no cost to JOTNE.

10.4 If SUPPLIER fails to fulfil his obligations pursuant to the PURCHASE ORDER, or becomes insolvent, JOTNE may choose one or more of the following alternatives:

- A Demand that SUPPLIER immediately performs the necessary rectification work
- B Withhold an amount sufficient to ensure rectification of the GOODS
- C Demand a new delivery
- D After informing SUPPLIER in writing, rectify the defects at SUPPLIER'S cost, either using his own resources or by using other suppliers
- E Demand a price reduction

If SUPPLIER becomes insolvent, JOTNE may, at no cost to JOTNE, cancel the PURCHASE ORDER.

10.5 Should the GOODS have major defects of a nature that cannot be remedied within a reasonable period, JOTNE is entitled to cancel the PURCHASE ORDER and to be compensated by SUPPLIER for all losses. The same applies if the GOODS with major defects have not been rectified within a reasonable period. Should JOTNE suffer indirect losses as a result of defects in the GOODS, he shall be entitled to be compensated by SUPPLIER for such losses in case of negligence on the part of SUPPLIER or on the part of someone for whom SUPPLIER is responsible.

## **11 INDEMNITY**

11.1 SUPPLIER shall indemnify JOTNE and JOTNE'S customers from and against any claim concerning personal injury, sickness, death or loss of or damage to any employee or property of SUPPLIER.

## **12 FORCE MAJEURE**

12.1 Neither JOTNE nor SUPPLIER shall be deemed to be in breach of an obligation under the PURCHASE ORDER if fulfilment of the obligations have been prevented by force majeure.

12.2 The affected party shall immediately notify the other party of the force majeure situation. If a party fails to give such notification, it shall be precluded from claiming the right to be relieved of its obligations.

12.3 In case of the event of force majeure, each party shall be responsible for its own costs resulting from the force majeure situation.

## **13 RIGHT TO INFORMATION**

13.1 On request, JOTNE shall be entitled to all requested information from SUPPLIER, including satisfactory progress reports, information relating to subcontractors etc.

13.2 SUPPLIER shall permit JOTNE and JOTNE'S clients to carry out such inspections at SUPPLIER'S or his subcontractor's premises as JOTNE deems to be necessary.

Inspections carried out by JOTNE, shall not relieve SUPPLIER of his responsibilities under the PURCHASE ORDER.

## **14 OWNERSHIP**

14.1 Title to the GOODS, or parts of the GOODS, together with the technical documentation to be supplied by SUPPLIER pursuant to the PURCHASE ORDER passes to JOTNE on payment. SUPPLIER shall clearly identify such GOODS and if possible keep them separate from other GOODS.

14.2 All drawings, specifications and other technical documentation transmitted by JOTNE to SUPPLIER shall remain the property of JOTNE and shall not be copied or disclosed to any third party without the prior written consent of JOTNE.

## **15 PATENTS**

15.1 Inventions made by SUPPLIER during the manufacture of the GOODS shall be the property of SUPPLIER, if this is not an infringement of any third party's rights. Notwithstanding the above, inventions that are mainly based on technical information that SUPPLIER has received from JOTNE shall be the property of JOTNE. SUPPLIER shall notify JOTNE of such inventions that are JOTNE'S property, and SUPPLIER shall provide the necessary assistance in order to enable JOTNE to acquire patents for such inventions. JOTNE

shall reimburse SUPPLIER for all reasonable expenses incurred in connection with acquiring such patents, including compensation to which any employee of SUPPLIER may be entitled by law.

15.2 SUPPLIER shall grant to JOTNE an irrevocable, royalty-free, non-exclusive licence to inventions currently or hereafter controlled by SUPPLIER to the extent necessary for the manufacture, operation, maintenance and repair of the GOODS.

15.3 It is SUPPLIER'S responsibility that the GOODS and their use do not infringe any patent or other protected rights of any third party, and SUPPLIER shall indemnify JOTNE from any claims resulting from infringements of patents or other protected rights of any third party.

## 16 SUBCONTRACTORS

16.1 SUPPLIER shall secure JOTNE'S rights under this PURCHASE ORDER in relation to SUPPLIER'S subcontractors.

16.2 SUPPLIER shall not enter into any subcontract concerning parts of the work without the prior consent of JOTNE. Pursuant to this agreement, SUPPLIER is liable to JOTNE for such subcontractors as if SUPPLIER himself performed the subcontracted work.

## 17 HSE REQUIREMENTS

17.1 SUPPLIER shall ensure that his employees, those of his sub-contractors and any other party acting on behalf of the SUPPLIER comply with all applicable aspects of Health, Safety and Environment legislation.

## 18 DISPUTES

18.1 This PURCHASE ORDER shall be governed by and interpreted in accordance with Norwegian law.

18.2 Disputes arising in connection with or as a result of the PURCHASE ORDER, 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 Oslo District Court.

Oslo, June 2015

