



## GENERAL CONDITIONS OF PURCHASE

### 1. CONDITIONS

These general conditions of purchase in addition to the specific terms contained in each order, will apply exclusively for this agreement. Should these conditions of purchase contradict the specific terms in the order, the latter terms shall prevail.

A purchase can be based on other conditions than those named herein when accepted by HOFF and agreed upon in writing.

### 2. ORDERS

Only written purchase orders will be accepted and binding to HOFF. If the goods are not shipped immediately, Supplier shall confirm the order, in writing, no later than two weeks after receipt of the order from HOFF. Otherwise HOFF' has the right to abandon the agreement.

If an order from HOFF does not specify the price or time of delivery, Supplier shall reply with an order confirmation stating the missing information. HOFF reserves the rights to revoke the order if the price or the time of delivery is not acceptable to HOFF.

### 3. PRICES

The price in the order shall be firmed, exclusive of VAT and/or other charges, duties or taxes. For deliveries on account, HOFF reserves the right to evaluate the invoiced price. The price(s) shall include suitable transport packaging and all-risk insurance to agreed point of delivery.

### 4. TERMS OF PAYMENT

HOFF's general terms of payment are 45 days net, after receipt of a correct invoice.

HOFF can keep 10% of invoiced amount, until the delivery is tested and confirmed.

Advanced payment does not occur if not agreed upon separately. If agreed upon, Supplier must provide security to the satisfaction of HOFF before any advanced payment will take place. In the event of advanced payment, the goods will be the property of HOFF as long as it is offset by the advanced payment amount.

### 5. PACKING LIST

A packing list shall apply to one order only. If one shipment consists of several orders, separate packing lists shall apply for each order.

All goods shall be marked in accordance with the packing list, and the specific terms in the order. The packing list shall state HOFF's order number/reference, transportation mode, marking of the goods, number of packages, content, weight and date of shipment.

### 6. INVOICE

The invoice shall always refer to the order number from HOFF and other agreed references.

Certificate requirements and/or other documents required in the order shall be sent by post, separately, and no later than despatch date for the goods. These documents are a part of the delivery, and the delivery will not be considered completed until the required documentation is received and approved. In case of breachment of this, payment will be postponed according to article 4.

### 7. DELIVERY PLACE AND TERMS OF DELIVERY

The place of delivery shall be according to the specific terms in each order.

Delivery terms is normally DDU, agreed destination in Norway, according with the latest prevailing version of INCOTERMS, unless otherwise agreed.

### 8. QUALITY ASSURANCE AND INSPECTIONS

Supplier shall have a satisfactory quality assurance system suitable for the goods ordered.

HOFF can cancel the order if such system do not exist or if HOFF by own inspection finds failure in the quality assurance system or in the quality of the goods.

HOFF is at any time entitled to carry out, and Supplier shall assist in carrying out, inspections at the suppliers and/or their subcontractors facilities. The supplier is obliged to assist in carrying out such an inspection at no additional cost.

If the audit discovers that the workmanship is insufficient, or in any other way unsatisfactory, the supplier shall immediately carry out necessary improvements. The supplier will cover the cost of these improvements and inspections.

The quality assurance inspection does not relieve the supplier from any risks and responsibilities concerning the execution of the order. HOFF's incoming inspection is deciding the contractual fitness of the goods at the delivery. See article 9.

### 9. ACQUISITION AND CLAIMS

Transfer of the title occurs when the goods have arrived at HOFF's premises, and HOFF has had the opportunity to inspect that the delivery is in accordance with the order.

Process equipment to be installed by Supplier, transfers title after instalment and agreed testing period.

Goods and equipment which need analyses or instalment before testing, HOFF maintain its right to give notice of claim after such tests or analyses has been performed.

Claims on defected goods sent in written within 4 weeks after inspection, are in any case valid. A claim is in any valid if the Supplier has shown gross negligence or if the trade is in conflict with accepted business standards.

### 10. LATE DELIVERIES / PENALTIES

When goods are delivered late, a fine equal to 1% of the total amount of the order will be deducted per week until the delivery has taken place. The fine shall nevertheless not exceed 15% of the total order amount. This applies even though only parts of the goods have been delayed.

If partial delivery is agreed upon, HOFF can deduct 5% per week of the value of the late delivery, limited upward to 15% of the total amount for the order.

Certificates and other documents specified in the order, are a part of the delivery. When late delivery occur, above sections applies.

The Supplier is required to notify HOFF in writing immediately if there is any reason to believe that the time of delivery agreed upon can not be met. Such notification shall state the reason as well as the probably length of the delay.

In case of a force majeure plead, a certified declaration must be presented. If the Supplier disregards this, he cannot use the plead as a reason for late deliveries in the future, and the fine applies even when force majeure reasons are factual.

If the delay is not due to force majeure, HOFF is entitled to select between reductions referred to in this article, or compensation for any loss in accordance with relevant law and practice.

If the goods or parts of the goods are delayed with more than 10 weeks, HOFF may terminate the contract totally or partly. The same right occurs if force majeure is invoked.

If the delay is not due to force majeure, HOFF also have, by using the right to terminate the contract, a right to request for compensation.

### 11. WARRANTIES



The Supplier warrant against defects and deficiencies for a period of 24 months after the transfer of title, unless the warranty is extended according to reasons below or in accordance with other legislation.

Should defects or deficiencies occur or be proven within the warranty period, the Supplier shall upon notice by HOFF correct these as soon as possible without any cost to HOFF by:

- (1) Repairment on site if possible, or
- (2) Repairment on an assigned place, or
- (3) Replacement of the delivery

If the Supplier does not repair or replace the goods within reasonable time, HOFF can correct or replace at the cost and risk of the Supplier. Repair or purchase from another company does not relieve the Supplier and previous sections in article 11 apply in full.

When HOFF has a claim according to article 9, the warranty will be extended to 24 months after HOFF has accepted the repair or replacement or a purchase from another vendor has occurred according to article 9.

This warranties do not in any way limit HOFF's rights to enforce breach of agreement based on the legislation.

The delivery shall meet the specifications in the order including the performance and consumption figures agreed upon and be according to any regulations and provisions of relevant laws,. Furthermore, the technical

performance shall conform to what modern techniques can require with the reference to design and first class workmanship.

#### 13. INDEMNIFICATION – IMMATERIAL RIGHTS

The Supplier warrant that HOFF can use and sell the goods delivered, and that the patents or any other immaterial rights do not prevent this. HOFF shall inform the supplier if other parties demand the goods, or states that HOFF cannot own, use or sell these goods.

The supplier will keep HOFF indemnified for all claims from a third party, including public charges and patents.

#### 14. CONFIDENTIALITY AND RIGHTS

Drawings, product descriptions and other sensitive information that HOFF has supplied to the supplier are the property of HOFF, and shall not be given to a third party or used for other purpose than fulfilling the contract between the supplier and HOFF.

Without HOFF's written consent, the Supplier shall not issue any press release, publish, announce or in any way advertise in connection to orders received.

#### 15. APPLICABLE LAW AND JURISDICTION

The Contract shall be governed by Norwegian law.

Any dispute arising out of the agreement shall be submitted to the legal venue in the domicile of HOFF.