

NORSUN STANDARD PURCHASE TERMS CONSUMABLES

Rev 6 June, 2011

1 General

1.1 These general terms and conditions for purchase of products and/or services (hereinafter referred to as Supply) by NorSun (General Terms) shall be applicable for any purchase or similar transaction by NorSun referring to General Terms, General Terms and Conditions, General Conditions or to a term with similar meaning. The General Terms are intended to be applied together with a purchase order and/or Specific Terms (hereinafter referred jointly to as Specific Terms) for each relevant transaction agreed upon between the Parties. These General Terms shall together with the Specific Terms, including all relevant attachments, form a binding agreement (Agreement) between NorSun and the seller (Seller).

1.2 No modification to the Agreement is valid unless agreed or evidenced in writing by both Parties.

2 Supply

2.1 All information relating to the supply (Supply), including but not limited to technical and operational data, its use, maintenance, handling and other information provided to NorSun by Seller in conjunction with the Agreement, shall if not otherwise agreed be deemed an integral part of the Agreement.

2.2 NorSun acquires, as a part of the Agreement, a license for any intellectual property rights and other rights required to ensure efficient use and utilization of the Supply. Such rights shall include access to and the right to use all relevant software, drawings, etc related to the Supply and it shall remain with NorSun as long as the Supply is in NorSun possession and/or is used by NorSun.

3 Inspection before shipment

3.1 NorSun shall have the right, but no obligation, to inspect the Supply before shipment. To facilitate such inspection NorSun shall be granted access to the Supply no later than 5 working days prior to the date of shipment from Seller. Seller shall without undue delay notify NorSun when the Supply is ready for inspection. NorSun shall have the same right to reject non-conforming Supply based on the pre shipping inspection under this section 3.1 as it has to under section 11.

4 Price

4.1 The price agreed among the Parties as set forth in the Specific Terms (Price) is unless otherwise agreed fixed and not subject to adjustments.

4.2 The Price shall include VAT and all other fees or taxes as well as all costs related to the transaction, including but not limited to import and export fees and cost, transportation and insurance cost.

5 Payment

5.1 Payment shall be made no later than 45 days from the date of invoice. Seller shall issue one invoice for each shipment and such invoice shall be released to NorSun no earlier than on the date of Delivery.

5.2 NorSun shall have the right to withhold payments for Supply which is not in accordance with the Agreement, provided however that such withholding shall not be made for a sum exceeding the Price of the relevant Supply.

6 Delayed payment

6.1 If NorSun fails to make a payment by the relevant due date, NorSun shall pay to Seller interest on overdue payment in accordance with the Norwegian act on overdue payments.

6.2 Payment of interest on overdue payment shall be the only remedy Seller shall have towards NorSun in the event of delayed payment, provided however that Seller shall upon

prior written notification have the right to terminate the Agreement if a payment is delayed with more than 90 days and such delay is not caused by Seller or Force Majeure.

7 Title

7.1 Title to the Supply shall pass to NorSun upon Delivery as defined in section 8 below. Unless otherwise expressly agreed Seller shall have no retention rights in the Supply following Delivery.

8 Delivery

8.1 Unless otherwise agreed, delivery shall be "Delivery At Place" (DAP), Incoterms 2010, Årdal, Norway. Delivery shall be made in accordance with the delivery schedule (Delivery Schedule) set forth in the Specific Terms. In the event that no delivery Schedule has been determined, Delivery shall be made no later than 30 days following execution of the Specific Terms.

9 Documents

9.1 Seller shall provide NorSun with all documents necessary to ensure proper use and utilization of the Supply, as well as all other documents indicated in the Specific Terms, in the applicable Incoterms rule or, according to any previous course of dealing between the Parties or relevant industry standard.

10 Delay

10.1 Any failure or delay to meet the Delivery Schedule not caused by Buyer or Force Majeure shall be deemed a delay (Delay). In the event of Delay, NorSun shall be entitled to liquidated damages in the amount equal to 1% of the Price of the delayed Supply for each week of Delay, however no more than maximum 10% of the Price of the delayed Supply.

10.2 Payment of liquidated damages in accordance with this section 10 shall not exclude any other remedies for delay or failure to deliver Supply under the Agreement.

11 Non conforming Supply

11.1 NorSun shall without undue delay following Delivery examine the Supply and notify Seller of any non conformity (Non Conforming Supply). In the event that NorSun has not notified Seller of any Non Conformity within 60 days following the date of Delivery, the Supply shall be deemed accepted.

11.2 Upon NorSun's notification of Non Conforming Supply Seller shall, at NorSun's instructions, either:

- replace the Non Conforming Supply with conforming Supply, without any additional expense to NorSun, or
- reimburse to NorSun the Price paid for the non-conforming Supply and the cost for return of the Non Conforming Supply.

11.3 Replacement or reimbursement of Supply according to section 11.1 shall not exclude any other remedies for Delay or failure to deliver Supply under the Agreement.

11.4 In the event Seller disputes that Supply returned by NorSun are Non Conforming Supply, Seller shall have the right to initiate dispute resolution in accordance with section 19 below. Seller shall be deemed to have accepted that returned Supply are Non Conforming Supply if dispute resolution has not been initiated within three (3) weeks following the date when the Supply returned by NorSun was received by Seller.

12 Warranty

12.1 By adhering to the Specific Terms Seller warrants that the Supply shall be free from defects, faulty workmanship and in all respects in compliance with the Agreement.

12.2 Seller further warrants that Seller is the owner or holder of all relevant intellectual property rights to the Supply and that there are no current or to Sellers knowledge

- future claims against Seller for infringement or violation of any third party's Intellectual Property Rights that could restrict or in any other way influence on NorSuns right or ability to use or utilize the Supply. In the event such claims should be raised against Seller then Seller shall defend, indemnify and hold NorSun harmless against any actions, claims, damages or costs (including reasonable attorney's fees) incurred by NorSun as a result of or in connection with such claims.
- 12.3 NorSun makes no other warranties than explicitly set forth in the Agreement.
- 13 Limitation of liability**
- 13.1 Notwithstanding any provisions to the contrary and subject only to acts of gross negligence or wilful misconduct, neither Party shall be liable to the other for indirect or consequential losses.
- 14 Force Majeure**
- 14.1 Neither Party shall be responsible for any Delay or failure to carry out his duties under the Agreement if such a Delay or failure is the result of Force Majeure.
- 14.2 In the event of Delay caused by Force Majeure an extension of relevant milestone equal to the duration of the Force Majeure situation shall be granted.
- 14.3 The following events shall be considered Force Majeure provided that it prevents a Part from performing as provided for in the Agreement: war, riot, and disputes between labour market organisations concerning the party, fire, earthquake and acts of God or any other occurrence designated Force Majeure by a court of law in accordance with Section 19 below.
- 14.4 A Party prevented from performing under the Agreement due to Force Majeure shall inform the other Part without undue delay and no later than five (5) days following the date when the Force Majeure event occurred. The Part shall also keep the other Party updated on when the Force Majeure event is expected to end and what measures can be implemented to prevent negative consequences of the Force Majeure event.
- 15 Term and termination**
- 15.1 The term of the Agreement shall if not otherwise agreed be for the period commencing on the date when the Specific Terms are executed and ending on the date when the transaction is consummated as set forth herein (Term).
- 15.2 Notwithstanding section 15.1 the Agreement can be terminated:
- a) By NorSun for convenience at any time subject to a two weeks prior written notice, provided that if NorSun terminates before the transaction is fully consummated Seller shall be entitled to a reasonable termination fee not exceeding 10% of the aggregate Price for the Supply not delivered at the time of termination.
 - b) By each Part in the event of material breach by the other Party (other than a material breach triggered by a Force Majeure), provided that (a) the non breaching Party submits a written notice of breach to the breaching Party, and (b) the breaching Party fails to cure such breach within 7 days following receipt of the said notice.
 - c) By each Part if the other Party becomes insolvent, is adjudged bankrupt or becomes the subject of dissolution, liquidation or bankruptcy proceedings, whether voluntarily or involuntarily, or applies for judicial settlement with its creditors or makes an assignment for the benefit of creditors.
- 15.3 All sections of the Agreement that due to its content or nature shall survive termination shall remain in full force and effect also after termination.
- 16 Confidentiality**
- 16.1 The Parties acknowledge and agree that the terms of the Agreement and information exchanged between them pertaining to the Agreement constitute "Confidential Information" of the Party disclosing the information. The purpose of the exchange of the Confidential Information is to allow the Parties to meet their obligations and responsibilities under the Agreement. During the term of the Agreement, and for a period of 5 years following its termination or expiration, except as required by applicable law, regulation or rules of any securities exchange, the Party receiving any Confidential Information shall not, except with the prior written consent of the disclosing Party, use, divulge, disclose or communicate, to any person, firm, corporation or entity, in any manner whatsoever, the terms of the Agreement or any Confidential Information of the disclosing Party. Each Party further agrees to use the same degree of care to avoid publication or dissemination of the Confidential Information disclosed to such Party under the Agreement as it employs with respect to its own Confidential Information, but at all times shall use at least reasonable care to protect against disclosure.
- 16.2 Confidential Information does not and shall not include information that:
- a) was already known to the receiving Party at the time such information is disclosed by the other Party;
 - b) was or became publicly known through no wrongful act of the receiving Party;
 - c) was rightfully received from a third party without restriction;
 - d) was independently developed by the receiving Party;
 - e) was approved for release by written authorization of the Party disclosing such information under the Agreement; or
 - f) was required by legal or financial reporting purposes to be disclosed; provided, however, that the Party being required to disclose shall, if circumstances permit, provide advanced notice to the other Party.
- 17 Compliance with laws**
- 17.1 Seller and each of its subsidiaries shall at all times conduct its business in accordance with all applicable laws and regulations.
- 18 Health, safety and environment**
- 18.1 Seller shall hold all necessary permits and in all respects observe and comply with all legal and other duties related to preservation of the environment and observation of HSE issues imposed by government in countries the Supply are manufactured, shipped through and in the country the Supply shall be used By NorSun. Seller warrants that the Supply can be legally sold and used as contemplated by NorSun, in Norway.
- 19 Applicable law and settlement of disputes**
- 19.1 The Parties hereto agree that the Agreement shall be governed by and construed in accordance with the laws of Norway.
- 19.2 The Parties submit to the exclusive jurisdiction and venue of Oslo tingrett for all disputes arising, directly or indirectly, under this Agreement.