

# SIBELCO NORDIC

## FORM 16.1

### General Conditions of Purchase

#### 1. Offers

1.1 All offers are provided free of charge to the Buyer and any deviations from the Enquiry documents should be specified.

1.2 Buyer has the right to accept any Offer, or reject all Offers, without providing any explanation.

#### 2. Order

2.1 Only Orders placed or confirmed in writing will be binding on Buyer.

#### 3. Price

3.1 All Order Prices are fixed unless otherwise agreed. The prices include packaging, labelling, certificates and any other necessary supplier documentation. Prices are always quoted exclusive VAT.

#### 4. Order Confirmation

4.1 Order Confirmation should be returned to Buyer within 10 days and in any case before Delivery.

#### 5. Predelivery inspection and quality control

5.1 Buyer, or his representative, shall have the right to make necessary inspections of the Goods to confirm compliance with the Order.

5.2 Seller is required to assist at the inspection and shall rectify any faults and defects identified within a reasonable time period, at no cost to Buyer. Any faults and defects are to be rectified at Seller's cost.

5.3 Seller shall not be released from any part of his liability due to the performance or non-performance of the inspection.

5.4 Seller shall maintain a satisfactory Quality Assurance system suitable for the type of Purchase. Buyer has full right of insight into Seller's and/or subcontractor's QA manuals to confirm that the goods are produced and delivered as per the Order.

#### 6. Packing slip

6.1 The packing slip shall be unambiguous for one Order only. Each package shall have its own schedule of contents.

6.2 Buyer reserves the right to return packages not marked in accordance with the Order. Seller will be charged freight.

6.3 For shipments originating in the EU or EEA the Goods Certificate is to be enclosed with the Freight Manifest.

#### 7. Receiving inspection and acceptance

7.1 Acceptance takes place when the shipment arrives at the Buyer in accordance with Art 7.2. Buyer undertakes to inspect the goods in accordance with good practice, as soon as he can reasonably do so, and to notify of any defect within a reasonable period.

7.3 In case of prepayment the title to the goods or parts thereof shall pass to the Buyer at the time of prepayment. This applies even when the shipment is on the Seller's or his subcontractor's premises. Seller shall ensure that the shipment is marked as the Buyer's property, and not subject to any third-party charge or lien.

#### 8. Invoice

8.1 The Invoice, to be marked with the Buyer's Order Number, shall only cover one Order, unless agreed otherwise.

8.2 No invoice charges, small-order surcharges or similar will be accepted.

#### 9. Insurance and delivery terms

9.1 Seller is responsible for any transport insurance, unless agreed otherwise.

9.2 Delivery terms are DDP Incoterms 2000 Buyer's store, or other designated location, unless agreed otherwise.

9.3 All suppliers of goods and services, where delivery involve risk of damage or damage claim towards Sibelco Nordic, are obliged to have satisfactory insurance coverage. Insurance coverage must be valid until delivery/services are ended.

#### 10. Delivery delays

10.1 Seller shall immediately notify Buyer if the agreed delivery time cannot be met. The notification shall state the reason for the delay and the probable overrun. Should Seller fail to give this notice then he cannot later invoke force majeure.

10.2 Seller is liable for all direct losses suffered by Buyer due to the delay.

10.3 Buyer may cancel Order if delivery does not take place at the agreed time. If the Goods are produced especially for Buyer, and Seller cannot dispose of them in any other way except at substantial loss, then Buyer may only cancel if the delay causes a material breach of contract.

10.4 In case of delay, Buyer may, in lieu of compensation under Art 10.2, choose a penalty fine of 2 per cent of the total Order Sum for each calendar day until delivery occurs, or Buyer cancels the agreement. This fine shall not exceed 15 per cent of the total Order Sum. Where Buyer chooses to demand a penalty fine under this provision, then he may also demand compensation under Art 10.2 if his losses exceed the size of the penalty fine.

#### 11. Defects and warranties

11.1 The Goods are considered to show a defect if they deviate from Buyer's specifications or whatever is agreed.

11.2 Seller warrants that the Goods are supplied free of defects in all respects, including quantity and quality. He further warrants that the goods are suitable for Buyer's purpose. This warranty applies for a period of 24 months from delivery.

11.3 Should a defect be identified during the warranty period, then Buyer may claim rectification, price discount, and compensation for any direct loss. Buyer may also claim cancellation due to any defective delivery regardless of whether Goods have been paid for or have entered service.

11.4 For rectifications and improvements performed, a new 24-month warranty shall apply from the day that the warranty work is approved by Buyer.

11.5 Under no circumstances shall the warranty period in Art 11.2 be reduced by the provision in Art 11.4.

11.6 For defects arising after the expiration of the warranty period, Buyer may claim rectification, price discount, compensation and cancellation under the rules of the Purchase of Goods Act.

#### 12. Terms of payment

12.1 Terms of payment are net at 30 days after receipt of approved goods and correct invoice, unless agreed otherwise.

12.2 In the case that prepayment has been made, then Buyer may demand a banker's guarantee from a bank or other finance house approved by Buyer. Seller shall cover the costs of such guarantee.

#### 13. Drawings and documentation

13.1 All documentation – including, but not limited to: certificates, drawings, estimates, instructions, etc – specified in the Order, shall be deemed a part of the delivery. Buyer has a right to this material and any other documentation necessary to complete the delivery. Manuals and directions for use intended for the consumer shall be provided in Norwegian.

#### 14. Changes

14.1 Buyer shall have the right to make such changes which might reasonably have been expected at the time of placing the Order.

14.2 Seller shall be compensated for documented and realistic added costs of such changes.

#### 15. Confidentiality

15.1 All information that Buyer communicates to Seller, for instance company secrets, specifications, recipes, models, etc., shall remain the property of Buyer.

15.2 Except with Buyer's consent, such information may not be communicated to a third-party or used for any other purposes than those connected with the Order.

#### 16. Force majeure

16.1 Seller shall not be liable to compensate for delays due to force majeure unless expressly stated.

16.2 For the definition of force majeure the parties are referred to Norwegian law.

#### 17. Legal venue and jurisdiction

17.1 This Agreement shall be subject to these General Conditions of Purchase except where additions or modifications are agreed in writing.

17.2 This Agreement shall be subject to Norwegian law and any disputes shall be decided in the regular courts.

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