

GENERAL PURCHASE TERMS - PURCHASE OF GOODS FOR CLAMPON AS Valid from 20.06.2016

1. AREA OF APPLICATION

- 1.1. These general purchase terms apply to the purchase of goods for ClampOn AS unless otherwise agreed in writing by the parties.
- 1.2. If the Supplier uses or refers to other general or special terms, such as in his order confirmations or shipping documents, the deviations have no effect on the purchase provided the parties have not expressly agreed otherwise in writing.
- 1.3. The general provisions in Act no. 27 of 13 May 1988 relating to purchases (the (Norwegian) Sale of Goods Act) will apply unless otherwise expressly agreed.

2. DEFINITIONS

- 2.1. In this contract, "Purchaser" means ClampOn AS.
- 2.2. In this contract, "Supplier" means the party who is to deliver goods in accordance with a purchase order.
- 2.3. "The Parties" means the Purchaser and the Supplier.
- 2.4. "The Contract" means this document, including Appendix.
- 2.5. "The Object of the Contract" means the Supplier's performances as defined in the Contract.
- 2.6. "Purchase order" or "PO" (Purchase Order) means order from Purchaser to Supplier with pertaining specifications.
- 2.7. "Goods" means materials, equipment, documentation and other goods which are to be delivered by the Supplier to the Purchaser in accordance with a purchase order.

3. QUOTES

- 3.1. All quotes and cost estimates from the Supplier shall be free of charge and involve no obligations for the Purchaser.
- 3.2. Any deviations between the submitted quote and the Purchaser's enquiry must be specified expressly in the quote.

4. QUALITY ASSURANCE AND HSE

- 4.1. The Supplier shall have in place a documented system for Health, Safety and Environment (HSE) and a satisfactory quality assurance system. Relevant system requirements based on ISO 9001 or the equivalent shall be observed.
- 4.2. The Purchaser is entitled to undertake verifications, inspections and tests, including audits, at the Supplier's and the subcontractor's premises in order to gain assurance that the goods will be produced and the services executed in accordance with the requirements in the purchase order.
- 4.3. The Supplier shall assist the Purchaser with such checks. The Supplier shall also provide necessary basis/documentation required by the Purchaser.

- 4.4. The Supplier shall promptly and at his own expense remedy faults or defects which are discovered through the Purchaser's examination, inspections and audits.
- 4.5. Whether or not examinations, inspections or audits are executed or omitted on the part of the Purchaser, this does not exempt the Supplier from its liability for ensuring the delivery complies with the agreed requirements.

5. ORDERING AND ORDER CONFIRMATION

- 5.1. The Supplier shall confirm the purchase order within 2 – two – days of receiving the order. The order confirmation shall show product, price, purchase order number and delivery date. If there is any uncertainty regarding something such as the delivery date, this shall be expressly communicated in the order confirmation.
- 5.2. If The Supplier's order confirmation deviates from the content of the preceding purchase order from the Purchaser, or if the Supplier does not confirm the purchase order in accordance with the abovementioned deadline, the Purchaser shall be bound and obligated only if the Purchaser gives written consent to the deviation or the delayed confirmation.
- 5.3. Before the production starts, the Supplier shall use his professional competence to look for possible errors and omissions in the purchase order – including drawings, materials, design, etc. - supplied by the Purchaser. The Supplier shall immediately notify the Purchaser in writing if such errors and omissions are discovered.
- 5.4. The Supplier shall at all times inform the Purchaser of all conditions that are of significance to the Supplier's performances in accordance with the purchase order, and shall also express himself in all such notifications with the clarity and in such a way that is required to ensure the fulfilment of the purchase order in all respects.

6. DELIVERY

- 6.1. Delivery shall take place at the stated time and place in accordance with the purchase order.
- 6.2. Unless otherwise stated in the relevant purchase order, delivery shall take place DAP (Delivered At Place) in accordance with Incoterms 2010®.
- 6.3. The Goods shall be delivered appropriately packaged and labelled in accordance with the requirements in the purchase order.
- 6.4. Delivery will be considered to have taken place when the goods have been received at the agreed place. The delivery shall be accompanied by a packing slip which is to be signed by the Purchaser before delivery is considered to have taken place.

7. DOCUMENTATION

- 7.1. Delivery notes, packing slips and invoice shall be in accordance with the purchase order. Reference shall be made to the individual product line with associated product number, description and any other specification. Invoice shall be marked with the Purchaser's purchase order number (PO number).
- 7.2. All material certificates and similar documentation shall clearly identify the specific items to which they pertain. All documentation specified in the purchase order, e.g. certificates, drawings, data disks, etc. are considered to be a part of the goods/delivery.
- 7.3. The delivery is not considered to be complete until the material certificate or other documentation stated in the purchase order has also been supplied. Invoice is paid when the delivery is complete with approved certificates/documentation.

8. PRICE AND PAYMENT TERMS

- 8.1. Price shall be agreed beforehand by the parties. The agreed price applies to complete delivery and covers everything which is not specifically exempted in the purchase order. The price shall be agreed exclusive of VAT.
- 8.2. Invoicing shall take place with payment in 30 days. The payment deadline will not commence until delivery has taken place and an approved invoice has been received.
- 8.3. Approved invoice shall have the purchase order number applied to it and be specified so that the Purchaser can inspect that that which is being invoiced has been supplied in accordance with the contract. Invoicing fees, reminder fees or other fees are not allowed. For invoicing based on time spent, time spent shall be specified.
- 8.4. If payment is delayed, the Supplier can demand penalty interest in accordance with (Norwegian) Act no. 100 of 17 December 1976 relating to Interest on Overdue Payments, etc.
- 8.5. The Supplier cannot transfer invoices to a third party for collection without prior consent from the Purchaser.

9. CHANGES

- 9.1. The Purchaser is entitled to change delivery date, or change the quantity, quality, character, functions and features of the delivery – or parts thereof – provided that such changes do not exceed that which the parties could reasonably have expected when the purchase order was issued by the Purchaser.
- 9.2. The changes shall be delivered in writing by the Purchaser. The Supplier shall confirm in writing within 5 – five – working days any impact on price, delivery time and technical solutions. All price adjustments shall correspond to the pricing principles used for the rest of the purchase order. If the Supplier does not provide such a written confirmation, the Supplier is considered to have accepted that the changes have no effect on price, delivery time or other conditions.
- 9.3. The change order shall be implemented at the written request of the Purchaser, even if the parties have not agreed on the impact of the changes on price, delivery time and technical specifications.

- 9.4. Fees for changes shall be in accordance with the contract's original price and profit margins. If changes lead to savings for the Supplier, these shall automatically be passed on to the Purchaser.

10. CANCELLATION

- 10.1. The Purchaser can cancel the delivery in full or in part by giving the Supplier notice in writing.
- 10.2. After such cancellation, the Purchaser shall pay the Supplier for the work that has already been executed, and to cover documented and necessary expenses that have arisen as a direct consequence of the cancellation. Apart from this, the Supplier is not entitled to any compensation due to such cancellation.

11. THE SUPPLIER'S CONTRACTUAL OBLIGATIONS

- 11.1. The properties of the goods
 - 11.1.1. The Supplier shall deliver the goods in accordance with the requirements regarding type, quantity, quality, other characteristics and packaging outlined in the Contract.
 - 11.1.2. The Supplier is responsible for ensuring that the goods that are delivered comply with valid legislation and approval requirements.
- 11.2. Guarantee
 - 11.2.1. The Supplier assumes liability for the first 24 months after the delivery has been received for faults and defects which may be proven at the time of the delivery. For split deliveries, the deadline runs from when the whole delivery has been fully installed and is ready for use.
 - 11.2.2. During this guarantee period, the Supplier shall as soon as possible and at his own expense replace defective parts or repair the delivery so that the delivery is without any faults or defects. The guarantee period shall also not be shorter than what is general practice for the relevant product/industry.
 - 11.2.3. If the Supplier is not in a position to remedy a defect within a reasonable time of receiving the Purchaser's notification, the Purchaser is entitled to have this work executed himself or by a third party; costs are in any case at the Supplier's expense.
 - 11.2.4. If any guarantee work is executed in the guarantee period, all replaced or repaired parts shall be guaranteed by the Supplier for a renewed period of the same duration as the original guarantee.
 - 11.2.5. This provision does not limit the Purchaser's opportunity to invoke defect penalties in accordance with the (Norwegian) Sale of Goods Act.
- 11.3. Transfer of ownership
The ownership of the Object of the Contract shall be transferred to the Purchaser on one of the following occasions, whichever occurs first:
 - a. The time when the Purchaser pays for the Object of the Contract.
 - b. The time when the Purchaser approves the delivery of the Object of the Contract.
- 11.4. Defects
 - 11.4.1. The Supplier shall deliver the goods free from third party requirements which are not

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described in the Contract and shall indemnify the Purchaser for any form of third party requirement in relation to the goods.

- 11.4.2. The Supplier shall deliver the goods with the necessary approvals, certificates and permits which, to the best of the Supplier's knowledge, are required by a public authority for the Purchaser to be able to use the Object of the Contract.

11.5. Use of subcontractors

Unless otherwise agreed by the parties, the Supplier can use subcontractors to fulfil his obligations in accordance with the Contract. The Supplier is still responsible for the fulfilment of the whole delivery. The Supplier shall inform the Purchaser of his choice of subcontractors. The Purchaser is entitled to reject the choice of subcontractor if there are objective grounds for so doing.

11.6. Insurances

The Supplier shall keep the goods insured until the risk transfers to the Purchaser.

11.7. Notification requirement

- 11.7.1. If the Supplier is prevented from fulfilling his obligations in time, he shall notify the Purchaser in writing of this without undue delay. The Supplier shall be able to document when and how the notification was given. Such a notification shall state the reason for and the scope of the delay, as well as which measures have been initiated to limit the delay.

- 11.7.2. If in the opinion of the Purchaser the Supplier's measures are not sufficient to limit the delay, the Purchaser may demand that the Supplier take further measures or the Purchaser may demand such measures himself; in both cases at the Supplier's expense.

12. THE PURCHASER'S REMEDIES FOR BREACH OF CONTRACT

12.1. Warranty period

- 12.1.1. If the Purchaser wishes to invoke remedies for breach of contract, he must notify the Supplier of this in writing, stating the defect within a reasonable time after he discovered or ought to have discovered the defect.

- 12.1.2. If the Purchaser does not submit a claim within 3 – three – years from the day he took over the Object, he cannot subsequently submit a claim for the defect. This does not apply if the Supplier, in a guarantee or another agreement, has assumed liability for defects for a longer period.

- 12.1.3. The Purchaser may submit a claim for the defect in any case if the Supplier has acted with gross negligence or otherwise in contravention of fairness and good faith.

12.2. Breach of notification requirement

If the Purchaser does not receive such a notification as determined in point 11.7 within a reasonable time of when the Supplier discovered or ought to have discovered the obstacle, the Purchaser may demand compensation for the loss which could have been avoided had he received the notification in time.

12.3. Withholding payment

If the Purchaser has a claim as a result of the Supplier's breach, the Purchaser may withhold as

much of the purchase sum which the breach is thought to be equal to.

12.4. Daily penalty

- 12.4.1. If the Supplier does not comply with deadlines as agreed, a delay will exist which forms the basis for a daily penalty. In the event of a delay, the daily penalty will start to apply automatically.

- 12.4.2. The daily penalty constitutes 1 % of the fee for the part of the delivery which is impacted by the delay for each weekday that the delay persists, limited to 20 – twenty – weekdays. The daily penalty in any case constitutes at least NOK 1000 per weekday.

- 12.4.3. The Purchaser may not cancel the Contract for as long as the daily penalty persists. This does not apply if the Supplier or someone for whom he is responsible has acted with gross negligence or otherwise in contravention of fairness and good faith.

- 12.4.4. If the daily penalty does not cover the Purchaser's documented direct losses as a result of the delay, the Purchaser may seek compensation for the excess amount.

- 12.5. Substitute purchase in the event of cancellation
In the event of cancellation, the Purchaser is entitled to make a substitute purchase in a reasonable way and within a reasonable time after the cancellation. Then, in the event of a claim for compensation, the Purchaser can claim the difference between the contract price and the price of the substitute transaction in addition to other compensation in accordance with this Contract.

- 12.6. Other remedies for breach of contract
Other remedies for breach of contract are shown by the general rules in Act no. 27 of 13 May 1988 relating to purchases (the (Norwegian) Sale of Goods Act).

13. THE PURCHASER'S CONTRACTUAL OBLIGATIONS

13.1. General obligations

The Purchaser shall:

- pay the purchase sum;
- assist with the Supplier's fulfilment and delivery; and
- be responsible for clarity vis-à-vis the Supplier with regard to the purpose of the purchase and the Purchaser's needs and requirements.

13.2. Duty to examine

As soon after delivery as he is able to, the Purchaser undertakes to examine the goods, in accordance with good practice.

13.3. Notification requirement

If the Purchaser is prevented from fulfilling his obligations in time, he shall without undue delay inform the Supplier of the obstacle and the effect thereof on the possibility of fulfilment. The Purchaser shall be able to document when and how such notification was given.

14. THE SUPPLIER'S REMEDIES FOR BREACH OF CONTRACT

14.1. Breach of notification requirement

If The Supplier does not receive such a notification as determined in point 13.3 within a reasonable time from when the Purchaser found out or ought to have found out about the obstacle, the Supplier may demand compensation for the loss which could have

been avoided had he received the notification in time.

14.2. The Supplier's right to withhold

The Supplier cannot withhold performances as a result of the Purchaser's breach. However, this does not apply in the event of a material breach.

14.3. Other remedies for breach of contract

Other remedies for breach of contract shall be in accordance with the general provisions of Act no. 27 of 13 May 1988 relating to purchases (the (Norwegian) Sale of Goods Act).

15. SUSPENSION RULES (FORCE MAJEURE)

15.1. The parties' obligations in accordance with this Contract may be suspended in cases where an obstacle occurs which is beyond the control of the affected Party and which he could not reasonably have been expected to have taken into consideration at the time of entering into the contract, or avoided or circumvented the consequences of, in relation to the fulfilment of one or more contractual obligations.

15.2. Suspension is conditional upon the affected Party notifying the other Party of the obstacle without undue delay and stating that the obligations thereof are suspended.

15.3. The Party who invokes Force Majeure is obliged to take all reasonable measures in order to limit the impact that the obstacle or event has on the implementation of the contractual assignments.

16. CONFIDENTIALITY

16.1. Information of which the Supplier becomes aware in connection with the Contract and the implementation of the Contract shall be treated confidentially and not made available to outsiders without consent from the other Party.

16.2. The duty of confidentiality in accordance with this provision does not prevent information which is demanded in accordance with the law or regulations, including openness and right of access as shown by the Act of 19 May 2006 on the right of access to documents in the public domain (the Freedom of Information Act) from being provided. If possible, the other Party shall be notified before such information is provided.

16.3. The duty of confidentiality does not prevent the information from being used when there is no justifiable interest in keeping it secret, such as when it is generally known or generally available in other places.

16.4. The Supplier shall take necessary precautions in order to ensure that unauthorised persons do not come into possession of or may come into possession of confidential information.

16.5. The duty of confidentiality applies to the Supplier's employees, subcontractors and third parties who act on behalf of the Supplier in connection with the execution of the Contract. The Supplier may transfer confidential information to such subcontractors and third parties only to the extent that this is necessary for the execution of the Contract, provided that these are subjected to the duty of confidentiality corresponding to this point.

16.6. The duty of confidentiality does not prevent the Supplier from utilising experience and competence

which is gained in connection with the implementation of the Contract.

17. TRANSFER OF RIGHTS AND DUTIES

17.1. The Contract – or parts thereof – may be transferred only following of written consent from the Purchaser. If The Supplier merges or splits, the Purchaser is entitled to cancel the Contract immediately.

18. DISPUTES

18.1. If a dispute arises regarding interpretations or the legal effect of the terms, this shall if possible be solved by negotiation. If the negotiations do not make progress within the agreed period, i.e. no later than 4 weeks from the first negotiation meeting, the dispute shall be settled by the ordinary courts.

18.2. The Purchaser's judicial district is the venue. The same applies to guarantors.

18.3. Disputes concerning entry into the Contract or fulfilment and/or interpretation thereof shall be settled in accordance with Norwegian Law.