



## Terms and Conditions of Sales

### 1. Scope:

These Terms and Conditions (T&C) shall apply to any Contract resulting from a tender/quotation/bid/offer/purchase.

### 2. Definitions:

In these T&C the following terms means:

- **"Company"**: R. Stahl Tranberg AS, org. no. 986 926 909.
- **"Buyer"**: The person, or company purchasing the Goods.
- **"Contract"**: the agreement in Writing between the parties concerning supply of the Product and/or Services as agreed in this agreement section 3 and all appendices, including agreed amendments and additions in Writing of the said documents;
- **"In Writing"**: communication by document signed by both parties or by letter, fax, electronic mail and by such other means as are agreed by the parties.
- **"Product"**: the object(s) to be supplied under the Contract including software and documentation.
- **"Service"**: the service(s) to be provided under the Contract.
- Further to the Product: Products are defined in three categories:
  - o **"Standard Products"**: Standard Products are defined as off-the-shelf products, or spare parts, that are manufactured as a generic item.
  - o **"Variants of Standard Products"**: Variants of Standard Products are defined as Standard Products with modifications. Such deliveries are typically identified with part numbers with a hyphen (-) and a 5 or 6 digit trailing number, or, a 3- or 4-digit part number with or without a hyphen.
  - o **"Custom-made" or "Project-specific"** Products: Custom-made or Project-specific Products are defined as products where a significant amount of design, engineering, manufacturing, or a combination thereof, is required in order to provide a delivery to the Buyer. Such deliveries are typically identified with part numbers with a hyphen (-) and a 5 or 6 digit trailing number, or, a 3- or 4-digit part number with or without a hyphen. These Products will often include Service as described in the Contract.

### 3. Validity, rank:

Any quotation/bid/offer, including any schedule, is non-binding and subject to acceptance within 30 (thirty) days from the date of quotation/bid/offer, unless otherwise agreed (e.g. offers and frame agreements). Upon Buyer's Purchase Order (**PO**) Company shall send a Sales Order (**SO**) to confirm the agreement, unless a separate contract is entered into between the parties (the SO, or if a separate contract is entered into, are both named the **Contract**). On frame agreements simplified arrangements can be agreed on call-offs under the frame agreement.

The Contract shall have better rank than these T&C. Schedules to the Contract, e.g. Commercial and technical specifications, has better rank than these T&C.



#### 4. Pricing:

All Contracts and schedules are in NOK (excluding VAT) unless otherwise agreed In Writing, and based on delivery terms as specified in the "Delivery" section.

Prices are excluding packaging and transport insurance which will be invoiced separately. Company further reserve the right to charge the Buyer for custom specific packaging solutions (e.g. EURO pallets and EURO pallet support/accessories). Packaging price is unreturnable.

If Products have been custom-made for the Buyer (Variant, Custom-made, Project-specific) and the Buyer later orders a lower volume of a Product than what is agreed as a basis for development, manufacturing or procurement, Company is entitled to charge a reasonable increase on the price of the Product the Buyer actually buys. This price increase will be based on our increased initial costs and lost profit. In addition, Company is entitled to increase prices in accordance with actual additional expenditure if the information from the Buyer, or in the specification sheet, is incorrect or incomplete or if the Buyer does not carry out their contractual cooperation measures and this causes Company additional expenditure.

Company is entitled to change the prices and remuneration by notifying the Buyer before delivery is carried out or Services are rendered, in the event of an increase in costs for which Company is not responsible (e.g. exchange rate fluctuations, increases in the price of raw materials, wages, transport and taxes) to the extent of the cost increases however is not higher than the extent of the general price increase taken by the Company.

Note that any offered price will only apply to this Contract and is based on the quantities agreed in the Contract.

#### 5. Delivery:

Delivery terms is ExWorks (INCOTERMS 2010) at Company's site in Stavanger or Lørenskog, Norway, as stated in the Contract, unless otherwise agreed In Writing.

Products in inventory may be delivered directly from Company's warehouse at another address.

Missing Standard Products, or Variants, are subject to a procurement and/or manufacturing process with an estimated delivery time as agreed in the Contract. Note that such delivery schedules are based on production capacity at the time of quotation or SO and are to be considered as a Forecasted Delivery Date only.

Delivery Date for Custom-made/Project-specific Products are related to a critical "Design Freeze" stage (i.e. the stage at which the design must be accepted by the Buyer and finally set). Forecasted delivery date for Custom-made/Project-specific Products are therefore confirmed after "Design Freeze" (see section 14).

Delivery address is identified in the Contract.

Delivery Date is the date when Products are ready for dispatch in accordance with ExWorks delivery terms (**Delivery Date**) or when the Services are completed (**Service Completion**), unless otherwise agreed In Writing.



## 6. Labelling:

Standard Products and Variants have standard labelling on Products and packing.

Custom-made/Project-specific Products have labelling as per requirements in the Contract.

## 7. Payment Terms:

Our contractual payment terms are as follows:

7.1 Standard: 30 days NET.

7.2 Project related:

7.2.1 Individually agreed up front, or

7.2.2 100% advance payment, or

7.2.3 the following instalments;

7.2.3.1 20% advance payment on receipt of PO,

7.2.3.2 30% advance payment on placement of PO for subcontracted goods for manufacturing (e.g. Long Lead-Items),

7.2.3.3 40% advance payment before delivery/dispatch of Products from our manufacturing location and

7.2.3.4 10% advance payment before issue of final documentation.

## 8. Drawings and technical information

8.1 Standard Products:

Company hereby confirm that standard documentation for such Products and/or spares will be provided in accordance with our automated Technical Documentation Package, submitted electronically together with the Contract to the Buyer. This package covers documentation required by the Buyer to install, operate, and maintain the Product. The Company shall not be obliged to provide manufacturing drawings for the Product or for spare parts unless agreed In Writing. Calculations (e.g. for IS solutions) are not provided as standard documentation.

8.2 Variants of Standard Products:

Company hereby confirms that standard documentation for such Products and/or spares will be provided in accordance with our automated Technical Documentation Package, submitted electronically together with the Contract to the Buyer. This package covers documentation required by the Buyer to install, operate, and maintain the Product. The Company shall not be obliged to provide manufacturing drawings for the Product, or for spare parts unless agreed In Writing. Calculations (e.g. for IS solutions) are not provided as standard documentation

8.3 Custom-made or Project-specific Products or Services:

A Supplier Document List (**SDL**) shall in such cases be made to identify which documents and drawings are relevant for the delivery. The SDL shall be mutually agreed In Writing before any manufacturing and/or procurement is initiated. Any changes to the SDL after acceptance of Contract and these T&C will be charged on a per-hour basis. Document review cycles are limited to one (1) per document title as per the SDL. Company has included cost for these documents within the Commercial Schedule. Any additional review cycle(s) will be charged on a per-hour basis.



## 9. Inspections and Acceptance Tests

We confirm that all equipment manufactured by Company is subject to rigorous checks and testing as per applicable harmonized standards and Quality Management System. Company will apply its normal quality control procedures in manufacturing as per Manufacturing Test Record (MTR) for all Products. Acceptance test and/or inspection activities provided for in the PO or Contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours. The Company shall notify the Buyer In Writing of the acceptance tests in sufficient time to permit the Buyer to be represented at the tests. If the Buyer is not represented, the test report shall be sent to the Buyer and shall be accepted as accurate.

The parties may agree in a supplementary agreement on the terms and conditions for additional tests or installation provisions.

The Buyer shall bear all travelling and living expenses for his representatives in connection with such tests and inspections.

## 10. Liability for Defects

The Company warrants that Products shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications.

Unless otherwise agreed, the warranty for Products shall expire one (1) year from the Delivery Date of that same product. The warranty for Services from the Company service personnel (if applicable and agreed upon In Writing) shall expire one (1) year after the Service Completion.

The Company shall not be liable for defects arising out of materials provided, or a design, stipulated or specified by the Buyer.

The Company shall only be liable for defects which appear under the conditions of proper operation provided for in the Contract and under proper use of the Product.

The Buyer shall without undue delay notify the Company In Writing of any defects, after having discovered the defect or after it ought to have been discovered. Such notice shall under no circumstances be given later than two (2) weeks after the Delivery Date.

Repair performed by the Buyer, or any other party, is not acceptable unless agreed in advance in Writing with the Company. If the Product has been handled incorrectly (i.e. not per the Installation and/or User Manual; Storage and Preservation Procedure/Instructions; or equivalent) the warranty conditions will automatically be cancelled.

If the rectification work is performed by parties other than Company, or if the work is left undone, Company is not responsible for the rectification work, or for the rectification not performed and the consequences thereof.

If the Buyer has given such notice of defects, and no defect is found for which Company is liable, Company shall be entitled to payment in accordance with Company's ordinary prices on extra Products and/or Services delivered as a result of the notice.



Company shall not be liable for costs related to dismantling and removal of the Products and/or installation and commissioning of replacement parts. Company will only cover costs for transport of new Products or parts from Company to nearest port/airport of destination. All travel expenses will be covered by Buyer.

In addition to the above, Company is under no circumstances liable for costs relating to:

- dismantling and installation of other objects/parts/components to provide access to the Product, or
- board and lodging offshore, or
- storage, handling and transport to, from and at the offshore location, or
- heavy lift operations onshore/offshore, or
- extra costs associated with warranty work performed below the water line, or
- loss of production, loss of profit and any other indirect loss.

Company's total liability for defects is in any event limited to 15% of the Contract price. For frame agreement Company's total liability for defects is in any event limited to 15% of the specific order in question.

Contractor's liability for rectification work after the issue of the Completion Certificate is, in any case, limited to 15% of the Contract Price.

## 11. Confidentiality

Company and Buyer (as to information disclosed, the "**Disclosing Party**") may each, to the extent necessary to fulfil the obligations of the Contract, provide the other party (as to information received, the "**Receiving Party**") with Confidential Information in connection with this Contract.

Both parties acknowledge and confirm that within the framework of this agreement all information with respect to, but not limited to, prices, the organization, suppliers, customers and all business information or any trade secret, any intellectual or industrial property rights including e.g. drawings, designs and models, written, oral or in any other form (hereinafter referred to as "**Confidential Information**"), transferred from one party to the other, shall be considered to be confidential and kept secret, unless stated otherwise In Writing.

Receiving Party agrees (i) to use the Confidential Information only in connection with the Contract and the use of Products and Services, (ii) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, including employees not needing to receive the information in order to fulfil the Contract, and (iii) not to disclose the Confidential Information to a competitor of Disclosing Party or any other third part except:

- as required by law or any regulatory provision,
- with the prior written consent of the Disclosing Party,
- the information received was known to the Receiving Party prior to the date of receipt,
- the information received was available to the public prior to the date of receipt or becomes available to the public after the date of receipt other than by reason of breach of this agreement, or
- the information was disclosed to the Receiving Party at any point of time by a third party without any obligation as to confidentiality.



This confidentiality clause is valid minimum three (3) years from the date of the end of the Contract.

## 12. Intellectual Property

Each party shall retain ownership of all Confidential Information and all intellectual property it had prior to the Contract. All new intellectual property conceived or created by Company in the performance of this Contract, whether alone or with any contribution from Buyer, shall be owned exclusively by Company, including, but not limited to, drawings made in connection with the Contract.

## 13. Material Dispatch

On the approval of our Shipping Documentation, note that Company accept to hold the material for a maximum 1 weeks. Company reserve the right to charge for additional storage should material pick up exceed this timeframe. This does, however, not release the Buyer from their duties as per the delivery terms in the Contract. The Company's insurance programme only covers the period up until delivery date, and the Buyer need to cover all insurance from this date, irrespective of taking delivery or not.

## 14. Clarifications, Design Freeze and Variation Orders

Each party may at any time request clarifications (technical queries) towards the scope of Products or Services.

Any change to the scope of Products or Services, including an increase or decrease in the quantity, or a change in character, quality, kind or execution of the Services or the Product or any part thereof, after received PO shall be In Writing (on a prescribed form) and follow a formal process, including minimum:

- a clear description of the Variation to the Product or Service in question In Writing from the Buyer, following an
- acknowledgement from Company In Writing that a Variation Order (**VO**) to the Product or the Service has been received, including;
  - o an estimate of necessary time to prepare an estimate,
  - o a description of how the VO will affect the Contract price, Delivery Date and/or the Service Completion and
  - o a description of the effect/consequence on the Contract Schedule as far as it is possible in the specific case.

The parties to agree on a date for "Design Freeze" (see section 5 for more details). The Design Freeze date to be agreed no later than within five (5) days after the date of the Contract.

Buyer has no right to order VO's which cumulatively exceeds what the parties could reasonably have expected when the Contract was entered into. Company is not obliged to submit an estimate prior to receiving a VO. Further, Company is not obligated to proceed with any change until both parties agree upon such VO In Writing. The VO to include any changes to the Contract Product, Service, price, delivery or completion dates, changes in scope and schedules and any other change in the Contract.

Any change on Buyers needs under the Contract (due to e.g. site specific requirements or procedures) or in industry specifications, codes, standards, applicable laws or regulations,



including also changes in insurance or certification specifications, shall be considered a VO of the Contract, unless otherwise agreed by the parties, pricing for VO's as a result from such changes shall be at Company's regular time and material prices. Buyer shall pay Company documented costs for preparing the VO estimates required by the Buyer.

Company has the right to propose a VO to the Product, Service, Contract price and Contract Schedule.

If the parties are not in agreement whether a VO is made the disputed change in price shall be deposited to a neutral bank account.

## 15. Cancellation of Order(s)

Cancellation of POs shall be In Writing.

Unless otherwise agreed upon, the cancellation charges to the Buyer depend on whether the Product is custom made or not and as follows:

- Standard Products:
  - o Charges will be 10% of PO value of cancelled item(s) up and until 21 days from the PO date, or it is less than 50 days to the Delivery Date
  - o Charges will be 50% of PO value of cancelled item(s) for orders exceeding 21 days since PO date, or it is less than 30 days to the Delivery Date;
- Variants of Standard Products, Custom-made Products or Project-specific Products:
  - o Charges will be 50% of PO value of cancelled item(s) up and until 10 days from the PO date, or it is less than 30 days to the Delivery Date
  - o Charges will be 100% of PO value of cancelled item(s) for orders exceeding 10 days since PO date, or it is less than 20 days to the Delivery Date.

Any cost related to POs placed to sub-contractors of the Company for components and/or sub-assemblies after the Contract date will be charged in full.

## 16. Return of Products

Conditions for return of goods are as follows:

Standard Products can only be returned when accepted by Company and agreed in a written agreement and if still in original packaging (i.e. not opened or damaged packaging). The Product must still be available in our current sales catalogue (i.e. not customized, project specific products or similar). Minimum Buyer cost on return is 50% of original Contract price.

Agreement must also be made with regards to value and amount in each return request. This, in particular, for high value Products (e.g. standard heating cable, which may be accepted if in its original length) and bulk items (e.g. cable glands). If an agreement is in place for return of any Product, an acceptance will only be granted by Company after a Products-incoming inspection to confirm items are free of any damage.

## 17. Liquidated Damages



Company is granted a grace period of two (2) weeks within any agreed schedule.

Liquidated Damages (**LD**) shall be calculated on the Contractual price, which should have been completed according to the Contract Schedule by the penalty milestone in question or, as the case may be, by the Delivery Date. If delivery in parts LD to be calculated on the price of the delayed part in question. For frame agreements LD shall be calculated on the order in question.

On the above basis the daily LD for not meeting such milestone or Delivery Date shall be 0,15%. Maximum LD to be 5%.

Any delay due to drawing and documentation approval process, or any other circumstances on Buyer's hand, will not be considered a delay from Company.

Buyer is not entitled to other compensation for delays than the agreed LD.

## **18. Ownership to goods**

Title to the Products and Services belong to Company until the Contract price has been paid in full.

## **19. Force Majeure**

A party shall not be liable for any failure of or delay in the performance of the Contract for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labour disputes, embargoes, government orders, pandemic or any other force majeure event.

## **20. HSE and quality**

Company has a quality assurance system in accordance with ISO 9001:2015 Quality Management System. The HSE system is in accordance with the Norwegian internal control act of 6.12.1996 (FOR-1996-12-06-1127).

Company examines and investigates their suppliers when indications arises to ensure that the suppliers comply with international conventions and working environment legislation in production countries. This implies that all deliveries to Company shall be under conditions that are in accordance with the requirements set out below. Requirements include:

- ILO's core conventions on forced labour, child labour, discrimination, union rights and the right to collective bargaining: nos. 29, 87, 98, 100, 105, 111, 138 and 182. Where conventions 87 and 98 are limited by national law, the employer shall facilitate, and not prevent alternative mechanisms for free and independent organization and negotiation.
- United Nations Convention on the Rights of the Child, Article 32.
- Working environment legislation in production countries. Of particularly relevant factors highlighted 1) wage and working hours regulations, 2) health, safety and the environment, 3) regular employment, including employment contracts, as well as 4) statutory insurance and social arrangements.





All of Company's suppliers are responsible for ensuring that all materials used in the production processes, comply with the health, safety and environment regulations in the country of production and in the country where a sale takes place, and that all relevant regulatory requirements are met.

All of Company's suppliers seeks to avoid pollution and minimise emissions and waste.

## **21. Miscellaneous**

- Terms and Conditions are subject to revisions without prior notice
- The Buyer is responsible to verify terms of POs, specifications and accuracy.
- Company will conduct an export control when indication exist, to prevent export or re-export to sanctioned countries.
- Company is entitled to assign its rights and obligations pursuant to the Contract, fully or partly, to any third party.

## **22. Norwegian law and Disputes**

These T&C shall be governed by and interpreted in accordance with Norwegian law.

The Buyer is responsible to verify terms of the order, specification, and the accuracy of the order.

Any dispute arising in connection with or as a result of the Contract, including these T&C, and which are not resolved by mutual agreement, shall be settled by court proceedings unless the parties agree otherwise. Any court proceeding shall be brought before Stavanger District court and shall be settled in accordance with Norwegian law.

**All correspondence and claims forwarded under these Terms and Conditions shall be in English and sent to [info.no-st@r-stahl.com](mailto:info.no-st@r-stahl.com)**

**Current and valid version of these Terms and Conditions can be downloaded from our website – [www.stahl-tranberg.com](http://www.stahl-tranberg.com)**