



Terms and Conditions of Sales

1. Scope:

Any order or contract resulting from this tender/quotation/purchase shall be in line with the Commercial and Technical specification herein. Supplier reserves the right to adjust the Commercial offer if any changes to this bid document might occur.

Please ensure that to fulfil the order process in a timely manner, provide the appropriate information as applicable: -

- GA drawing of area or system, P & IDs, Line lists, Zone diagram, amongst others.

These terms and conditions take precedence over existing agreements with suppliers and customers (e.g. frame agreements).

2. Definitions:

In these Terms and Conditions the following terms shall have the meaning hereunder assigned to them:

- **"Order"** and **"Contract"**: the agreement In Writing between the parties concerning supply of the product and all appendices, including agreed amendments and additions In Writing of the compulsory 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;
- **"the Product"**: the object(s) to be supplied under the Order or Contract, including software and documentation.

3. Validity:

Commercial schedule quoted herein is open for acceptance for 30 (thirty) days from date of quotation, unless otherwise agreed (e.g. offers and frame agreements).

4. Pricing:

All commercial schedules contained herein are in NOK (excluding VAT) (may also be in other currency), and based on ExWorks Norway (INCOTERMS 2010, location stated in the Sales Order), unless otherwise agreed. Please note these prices only apply to this bid and project based on the quantities given.

5. Delivery:

Delivery is detailed within the Preliminary Production Schedule. However, please note that this schedule is based on production capacity at the time of quotation and is to be considered as a Forecasted Delivery Date. Quotations are valid for 30 days. Please pay attention to that the Production Schedule is based on exact time schedule of all processes. Delivery date for non-standard products is related to critical "Design Freeze" stage (i.e. stage at which the design must be accepted by the customer and set). Forecasted delivery date for non-standard products can therefore only be confirmed after "Design Freeze" (please see Section 16 with regards to this). Delivery Date is time of delivery from R. Stahl Tranberg manufacturing location.



6. Labelling:

Labelling as per requirements in the bid documentation.

7. Payment Terms:

Our contractual payment terms are as followed: -

Standard – 30 days NET.

Project related, individually agreed upfront,
or - 100% advanced payment

or,

20% Advance Payment on receipt of Purchase Order.

30% Advance Payment on placement of Purchase Order for subcontracted goods for manufacturing (e.g. Long Lead-Items).

40% Advance Payment before delivery/dispatch of goods from our manufacturing location.

10% Advance Payment before issue of final documentation.

8. Drawings and technical information

Supplier hereby confirms that standard documentation will be provided in accordance with our Supplier Document List (SDL) submitted with the offer to the Purchaser which is necessary to permit the Purchaser to install, operate and maintain the product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each. The Supplier shall not be obliged to provide manufacturing drawings for the Product or for spare parts. We have included cost for any of these within the Commercial Schedule. Any changes to the SDL after acceptance of these terms will be charged on a per-hour basis.

Document review cycles are limited to three (3) per document titles as per the SDL. We have included cost for these within the Commercial Schedule. Any additional review cycle(s) will be charged on a per-hour basis.

Calculations (e.g. for IS solutions) are not provided as standard documentation.

9. Inspections and Acceptance Tests

We confirm that all equipment manufactured by Supplier is subject to rigorous checks and testing as per applicable harmonized standards and Quality Management System. Supplier 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 the Order or the Contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours. The Supplier shall notify the Purchaser in Writing of the acceptance tests in sufficient time to permit the Purchaser to be represented at the tests. If the Purchaser is not represented, the test report shall be sent to the Purchaser and shall be accepted as accurate.

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



10. Conformity

We confirm that all equipment proposed is in full compliance with current legislation and the EU directives. All equipment will be supplied with relevant marking, where applicable, to signify full compliance with appropriate standards.

11. Additional Services

R. Stahl Tranberg AS is focused on delivering your project in a timely matter and we have additional services that may support your project. Some examples of how we can help:

- *Supervisory services (e.g. during commissioning);*
- *Site Acceptance Test;*
- *Other engineering services.*

12. Liability for Defects

Supplier 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 Supplier service personnel (if applicable and agreed upon In Writing) shall expire one (1) year after performance of the Service.

The Supplier shall not be liable for defects arising out of materials provided or a design stipulated or specified by the Purchaser. The Supplier shall only be liable for defects which appear under the conditions of operation provided for in the Contract and under proper use of the Product.

The Purchaser shall without undue delay notify the Supplier In Writing of any defects which appear. Such notice shall under no circumstances be given later than two weeks after the expiry of the period mentioned in Section 12. The notice shall contain a description of the defect.

Repair performed by the customer/client is not acceptable unless agreed upfront with the Supplier. 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 the Supplier or if the work is left undone, the Supplier is not responsible for the rectification work, or for the rectification not performed and the consequences thereof.

If the Purchaser has given such notice of defects and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he incurs as a result of the notice.

The Supplier shall not be liable for defects in any part of the Product for more than one year from the end of the liability period referred in Section 12 or from the end of any other liability period agreed upon the parties.



The Supplier shall not be liable for costs related to dismantling and removal of the Contract Object(s) and/or installation and commissioning of replacement parts. The Supplier will only cover costs associated with transport of new parts from R. Stahl Tranberg AS manufacturing location to nearest port of destination.

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

- a) dismantling and installation of other objects/parts/components to provide access to the Contract Object, or
- b) board and lodging offshore, or
- c) storage, handling and transport to, from and at the offshore location, or
- d) heavy lift operations onshore/offshore, or
- e) extra costs associated with guarantee work performed below the water line, or
- f) loss of production, loss of profit and other indirect loss.

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

13. Confidentiality

The Supplier and the Purchaser (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/Agreement. "Confidential Information" means information that is designated In Writing as "confidential" or "proprietary" by Disclosing Party at the time of written disclosure. In addition, prices for Products and Services shall be considered Supplier's Confidential Information.

Receiving Party agrees: (i) to use the Confidential Information only in connection with the Contract and use of Products and Services, (ii) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (iii) not to disclose the Confidential Information to a competitor of Disclosing Party.

14. Intellectual Property

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

15. Material Dispatch

On the approval of our Shipping Documentation, please note that we accept to hold the material for a maximum 2 weeks. We reserve the right to charge for additional storage should material pick up exceed this timeframe. This does, however, not release the Purchaser from their duties as per standard delivery terms ExWorks Norway (INCOTERMS 2010, location stated in the Sales Order), unless otherwise agreed. We further reserve the right to charge for custom specific packaging solutions (e.g. EURO pallets and EURO pallet support/accessories).



16. Clarifications, Design Freeze and Change Management

Each party may at any time request for clarifications (technical queries) towards the scope of Products or Services. Clarification is here understood as “to make clear or easier to understand”, or “to clear of confusion or uncertainty”. A clarification is not to be confused with a request for change or deviation to agreed scope of Products or Services.

A change to scope of Products or Services, including an increase or decrease in the quantity, or a change in character, quality, kind or execution of the Work or any part thereof, after acknowledgement of Contract/Purchase Order shall be In Writing (on a prescribed form) and follow a formal process, including:

- a) a clear description of the Variation to the Work in question In Writing from the Purchaser, following an
- b) acknowledgement from the Supplier In Writing that a Variation to the Work has been received, including an estimate of necessary time to prepare an estimate, and
- c) a description of how the Variation to the Work will affect the Contract Price, and
- d) a description of the effect/consequence on the Contract Schedule as far as it is possible in the specific case.

The Supplier shall have the right to gain acceptance for a date for “Design Freeze” (see section 5 for more details). Such an acceptance should take place within 5 days after acknowledgement of the Contract/Purchase Order.

The Purchaser has no right to order Variations to the Work which cumulatively exceed that which the parties could reasonably have expected when the Contract was entered into. The Supplier is not obliged to submit an estimate prior to receiving a Variation Order. Further, the supplier is not obligated to proceed with any change until both parties agree upon such change In Writing. The documentation reflecting changes will describe the changes in scope and schedule, and the resulting changes in price and other provisions, as agreed.

The scope, Contract Price, schedule, and other provisions will be adjusted to reflect additional costs or obligations incurred by Supplier resulting from a change, after Supplier’s proposal date, in Purchaser’s Site-specific requirements or procedures, or industry specifications, codes, standards, applicable laws or regulations. Unless otherwise agreed by the parties, pricing for additional work arising from such changes shall be at Supplier’s time and material rates. Purchaser shall pay Supplier documented costs for preparing the estimates required by the Purchaser.

Supplier has the right to propose a Variation to the Work, Contract Price and Contract Schedule.

17. Cancellation of Order/s

Cancellation of Orders shall be In Writing.

Charges apply to the first applicable action in our points below:

- 10% Order Value within 7 days of order placement / or prior to submitting our details drawings;
- 25% Order Value within 14 days of order placement / after submitting our detail drawing but no approval;
- 50% Order Value within 21 days of order placement / after submitting our detail drawing with approval;



- 75% Order Value within 28 days of order placement / delivery is more than 28 days to confirmed delivery date;
- 100% Order Value within 42 days of order placement / delivery is less than 28 days to confirmed delivery date.

Any cost related to POs placed to sub-contractors of Supplier for components and/or sub-assemblies after acceptance of PO from customer will be charged fully.

18. Return of Goods

Conditions for return of goods are as follows:

- Standard Supplier stocked goods can only be returned, agreed in a written agreement, if still in original packaging (i.e. not opened or damaged packaging) and still available in our current sales catalogue (i.e. not customized/project specific products). Minimum cost on return is 50% of net sales price. Further, conditions for return of goods must also be agreed with regards to value and amount in each case. This is particularly relevant for high value products (e.g. standard heating cable, which may be accepted if in its original length) and bulk items (e.g. glands). If an agreement is in place for return of any goods, an acceptance will only be granted after a goods-incoming inspection to confirm items are free of any damage.

19. Liquidated Damages

The Supplier applies a grace period of 2 weeks within any agreed schedule. Liquidated Damages (LDs) are agreed to a maximum 5% of the Order Value, and applicable only to the delayed portion of the complete purchase order to Supplier. Any delay due to drawing and documentation approval process, or other circumstances on customer's hand, will not be counted as a delay from the Supplier.

The liquidated damages for each Day of delay shall be calculated on the contractual value of the Work 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. The daily liquidated damages for not meeting such milestone or the Delivery Date shall be 0,15%.

20. Ownership to goods

Title to the goods and services belong to Supplier until the Order Value has been paid in full.

21. Force Majeure

A party shall not be liable for any failure of or delay in the performance of this Agreement 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 or any other force majeure event.

22. Norwegian law and Disputes

These terms and conditions shall be governed by and interpreted in accordance with Norwegian law.



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Any dispute arising in connection with, or as a result of, these terms and conditions, and 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 mail@stahl-tranberg.com or info@stahl-tranberg.com

Current and valid version of these Terms and Conditions can be downloaded from our website – www.stahl-tranberg.com