

1. GENERAL PROVISIONS

These purchasing conditions, together with any special conditions included in the Purchase Order/Purchase Change Order hereafter PO, shall constitute the Agreements purchasing conditions. In case of conflict between Norwegian and English language, Norwegian shall prevail. In case of conflict between these general conditions and special conditions in PO, special conditions shall prevail.

1.2 DEFINITIONS

BUYER: General Conditions for Align shall apply for the following companies: Eureka Pumps AS
SELLER: Company or person stated as BUYERS counterpart in PO.

2. REQUEST FOR INQUIRY / TENDERS

- 2.1 SELLER shall by receipt of inquiry search for defects, discrepancies and inconsistencies in Buyers documents and immediately notify BUYER of any defects, discrepancies and inconsistencies discovered.
- 2.2 SELLER shall prepare and submit the Tender free of charge. Any deviations from BUYERS request for inquiry, including these general purchasing conditions, shall be specified in writing in Sellers Tender.

3. PURCHASE ORDER

- 3.1 The PO, issued by authorised buyer, shall be in writing and constitutes the entire agreement between the parties and shall have precedence over the inquiry, tender and agreements previously made between the parties.
- 3.2 Changes to original PO are valid only if carried out according to § 3.1 above.
- 3.3 Other terms and conditions than according to § 3.1 and § 3.2 above, shall not apply, unless authorised BUYER has accepted these in writing.
- 3.4 Written PO only shall be considered as binding.

4. PURCHASE ORDER CONFIRMATION

- 4.1 Unless otherwise is agreed in writing, SELLER shall confirm the PO by signature and return of BUYERS PO within 14 days, counted from the PO date. If BUYER does not receive SELLERS confirmation as requested, SELLER shall still be committed to the PO, but BUYER may within 60 days calculated from the PO date, cancel the PO at no cost to BUYER.

5. PRICE

- 5.1 Prices quoted in the PO are exclusive of vat and shall be considered fixed and firm for the duration of the PO, unless expressly agreed to the contrary.
- 5.2 In the case of deliveries charged for on a reimbursable basis, payment shall become due according to § 6, only when BUYER has had reasonable time to verify and accept all documentation on which the account is based.
- 5.3 BUYER do not accept invoice-fees, dispatch-fees etc.

6. TERMS OF PAYMENT

- 6.1 Buyer shall make payment within 45 days following receipt of correct invoice, provided that all SELLERS obligations according to the PO have been fulfilled and that a complete delivery has taken place. BUYER may however withhold disputed amounts. If SELLER delivers prior to agreed delivery date, payment will be calculated from agreed delivery date.
- 6.2 Interest on overdue payment shall be payable according to the Norwegian Delayed Payments Act of 17.12-1976 (“Morarenteloven”).
- 6.3 If advance payments are agreed, SELLER shall, if so requested by BUYER, for own account, provide an on demand guarantee, issued by a bank acceptable to BUYER, in a corresponding amount.

7. TERMS OF DELIVERY / SHIPPING INSTRUCTIONS

- 7.1 The provisions of last revision of INCOTERMS shall apply to the delivery. In case delivery terms are not agreed, DDP BUYERS delivery address according to the PO shall apply and if SELLER is responsible for the transportation, he shall in good time prior to despatch request despatch instructions from BUYER.

8. PACKING LIST / INVOICE

- 8.1 Packing lists and advice notes shall only relate to one PO and shall be duly marked with PO number. All goods shall be marked in accordance with packing list and instructions in PO. Packing list shall contain PO number, number of parcels in consignment, items, weight and date of shipment. Each parcel shall contain a detailed list of content.
- 8.2 Certificates and/or other relevant documents which are a part of the delivery shall be issued to BUYER in hard copies together with the goods and electronically on a CD rom duly marked with

SUPLLIER name, and PO number. Delivery of other types of documentation prior to delivery shall be electronically direct to document control dept. E – mail address and contact person will be quoted upon request by buyer.

8.3 Each invoice shall contain one PO only, unless the contrary is agreed in writing. Invoiced amount shall correspond with PO or approved PO change order. Invoice shall be marked in accordance with PO. Invoicing may take place after complete delivery according to PO, unless the contrary is agreed in writing. Invoice of final account shall be received by BUYER not later than 60 days after final delivery. Invoices after this date will be rejected by BUYER. Invoices received by BUYER not in accordance with these instructions will be rejected and returned to SELLER.

8.4 Deliveries received by BUYER in violence with instructions in § 8.1–8.2 may be rejected and returned to SELLER at SELLERS account.

9. CERTIFICATE OF ORIGIN / CUSTOMS INVOICES

9.1 Imported goods will require a certificate of origin and an invoice for customs purpose, which shall accompany shipping documents and be submitted to BUYER by e-mail.

9.2 Costs incurred by BUYER due to lack of documents mentioned in § 9.1 shall be charged to SELLER and deducted from SELLERS invoice.

10. DELIVERY TIME / DELAYED DELIVERY

10.1 Delivery shall take place at the time agreed in the PO. SELLER shall be deemed to have fulfilled his obligations only when all items, including documentation specified in the PO, have been completely delivered. Partial deliveries shall not be accepted and cannot be considered partial fulfilment of SELLERS obligations unless so accepted in writing in advance by BUYER.

10.2 Seller shall immediately notify BUYER in writing if there is reason to believe that the agreed delivery time cannot be met. Such notification shall state the cause of the delay and the likely overrun of the delivery time. SELLER shall also inform about his actions to reduce the delay. SELLER is liable for direct losses suffered by BUYER which could have been avoided if SELLER had given such notification in due time.

10.3 If delivery is delayed, BUYER is entitled to liquidated damages amounting to 0,35% per commenced calendar day, limited to 15%, both calculated from total PO value or demand compensation for direct losses if such losses are

higher. In case of gross negligence on the part of SELLER or someone for whom SELLER is responsible, and therefore is liable, BUYER is as an alternative to liquidated damages, entitled to be compensated by SELLER for direct and indirect losses incurred as a result of the delay.

10.4 If delivery is or seems to be delayed and the delay is of major importance to BUYER, BUYER may terminate the PO without liability to BUYER.

10.5 SELLER shall do his utmost to reduce the delay and damage resulting there from. If SELLER invokes Force Majeure, satisfactory documentation must be submitted to BUYER.

11. PURCHASE CHANGE ORDER/ CANCELLATION

11.1 BUYER has the right at any time to require any changes to the PO.

11.2 Agreed changes shall be confirmed in writing by BUYER, by the issue of a Purchase Change Order. This change order shall thereafter be confirmed by SELLER according to § 4.1 above. SELLER shall as soon as possible and within 10 days inform BUYER in writing of the effects the change order will have on the price, time of delivery and technical specification. If SELLER fails to provide such information within the time limit, he shall loose his right to demand adjustment of price and /or delivery time resulting from the change. Purchase Change Orders shall be implemented immediately. SELLERS obligation to implement the changes shall apply regardless if a dispute of compensation or delivery schedule exists between the parties. Price level in original PO shall be used to calculate the prices for the changes, unless other arrangements in original PO are agreed. Disagreement as to compensation payable in respect of such change order shall not entitle SELLER to withhold its delivery.

11.3 BUYER has the right at any time to cancel the PO partial or in full, with immediate effect. BUYER shall pay the unpaid balance due to SELLER for goods already delivered. SELLER shall be compensated for documented accrued necessary costs related to goods not yet delivered, provided that SELLER makes his best effort to minimize these.

12. ASSIGNMENT OF BUYERS RIGHTS AND OBLIGATIONS

12.1 BUYER has the right to assign his rights and obligations, partial or in full, according to the PO, regulated by these conditions to any third party, provided such third party can fulfil all BUYERS obligations towards SELLER.

12.2 Such third party has the rights to assign his rights and obligations under this PO on the same conditions.

13. LIABILITY FOR DEFAULT/ INSOLVENCY

13.1 Seller shall ensure that the goods comply with standards of good workmanship, the PO specifications and applicable laws and regulations. SELLER undertakes free of charge to repair all defects caused by faults in construction, materials or production, during a period of at least 24 months from the date the goods are taken into use for their proper purpose. The maximum guarantee period is however limited to 36 months from the time of delivery. Parts which are replaced / repaired in accordance with the above guarantee provisions shall have a renewed guarantee period limited to 24 months from the date when the first repair of such part was completed.

13.2 SELLER undertakes under the above guarantee that the goods shall be rectified to comply with the PO or replaced by new goods as soon as possible and free of charge.

13.3 If SELLER fails to fulfil his obligations in accordance with the PO, or becomes insolvent, BUYER may choose one or more of the following alternatives:

- A. Demand that the SELLER immediately performs the necessary rectification work
- B. Retain an amount sufficient to ensure rectification of the goods
- C. Demand a new delivery for SELLERS account
- D. After informing SELLER in writing, rectify the defects at SELLER`S cost, either with own resources or by use of other suppliers
- E. Demand price reduction

If SELLER becomes insolvent, BUYER may, at no cost to BUYER, terminate the PO.

13.4 Should the goods have major defects of a kind that cannot or will not be made good within reasonable time, BUYER has the right to terminate the PO and to be compensated by SELLER for his direct losses. Should BUYER suffer indirect losses as a result of defects in the goods, he shall be entitled to be compensated by SELLER for such losses in case of gross negligence on the part of SELLER or someone for whom SELLER is responsible.

14. QUALITY ASSURANCE / HSE

14.1 SELLER shall have a certified quality system as defined in the ISO 9000 series of standards, or a

system of equal standard pre – approved by BUYER, suitable for actual scope of delivery.

14.2 SELLER shall have a documented, implemented and auditable Health, Safety and Environment (HSE) system suitable for actual scope of delivery, in accordance with the latest applicable standards and codes of practice of the industry concerned and SELLERS HSE management system shall fulfil BUYERS philosophy, policy and targets for HSE&Q, at any time outlined at BUYERS home pages www.align.no Buyer shall, at any time, have the right to audit SELLERS HSE management system. SELLER shall immediately and within 24 hours, notify BUYER of all fatal or severe incidents occurring and directly related to the performance or fulfilment of the PO.

15. INDEMNITY

15.1 SELLER shall indemnify BUYER and BUYER`S customers from and against any claim concerning personal injury, sickness, and death to any employee of SELLER and to indemnify BUYER and BUYERS customers from and against any claim due to loss of or damage to property belonging to or used by SELLER.

15.2 SELLER shall indemnify BUYER and BUYER`S customers from and against any claim concerning any loss from any third party for which SELLER is liable.

16. FORCE MAJEURE

16.1 Neither of the parties shall be considered in breach of an obligation under the PO to the extent the party can establish that fulfilment of the obligation has been prevented by Force Majeure.

16.2 The affected party shall immediately notify the other party of the Force Majeure situation. If a party fails to give such notice, it shall be precluded from claiming the right to be relieved from its obligations.

16.3 In case of the Force Majeure, each party shall be responsible for its own costs resulting from the Force Majeure situation.

16.4 Force Majeure means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the PO agreement and could not reasonably have avoided or overcome it or its consequences.

17. RIGHT TO INFORMATION

17.1 Upon request, BUYER shall be entitled to obtain all requested information from SELLER. BUYER

and his clients shall have access to SELLER`S or his subcontractor`s premises to carry out inspections when BUYER deems this to be necessary. Inspections carried out by BUYER or his client shall not relieve SELLER from his contractual responsibilities.

18. OWNERSHIP

18.1 Title to the goods, or parts of the goods, together with the technical documentation to be supplied by SELLER according to the PO, passes to BUYER on payment.

18.2 All drawings, specifications, computer programs and other technical documentation transmitted by BUYER to SELLER or information disclosed by BUYER to SELLER in other ways, shall remain the property of BUYER and shall not be disclosed to any third party without the prior written consent of BUYER.

19. PATENTER

19.1 Inventions made by SELLER during the manufacture of the goods shall be the property of SELLER, provided that this is not in violation of any third party`s rights. Notwithstanding the above, inventions which are mainly based on technical information which SELLER has received from BUYER shall be the property of BUYER.

19.2 SELLER shall grant to BUYER an irrevocable, royalty-free, non exclusive licence to inventions now or hereafter controlled by SELLER to the extent necessary for the manufacture, operation, maintenance and repair of the goods.

19.3 It is SELLER`S responsibility that the goods and the use of these do not infringe any patent or other protected rights of any third party, and shall indemnify BUYER from any claims resulting from infringements of patents or other protected rights of any third party.

20. APPROVALS

20.1 SELLER is obliged to assure compliance with the European Community "Machine Directive", "Pressure Vessels Directive" and or "Atex Directive", unless BUYER in writing has instructed otherwise. Mentioned documents are available from: Euro Info Centre Innovasjon Norge, Oslo.

21. BUYER`S RIGHTS TOWARDS THE SELLER`S SUBCONTRACTORS

21.1 SELLER shall secure BUYER`S rights according to these General Purchasing Conditions under this PO towards SELLER`S subcontractors.

22. DISPUTES

22.1 These General Purchasing Conditions shall be governed by and interpreted in accordance with Norwegian law.

22.2 Both parties approve "Oslo tingrett" as legal venue.