

GENERAL CONDITIONS OF SALE AND DELIVERY OF MAUSER-NOREKO AS

GENERAL

1.1

Unless the context shows otherwise, capitalized words and expressions used in these general conditions are defined terms to which the following meaning is assigned: Buyer: the (potential) counterparty of Mauser-Noreko AS (hereafter Mauser) and/or one of its subsidiaries; Products: any movable goods and services such as maintenance, inspection and advice to be delivered or rendered by Mauser. Whenever "written" or "in writing" is used in these general conditions, it shall also mean by fax, e-mail, internet or/by means of any other usual (electronic) trade medium.

1.2

These general conditions are applicable to all deliveries, offers, order confirmations of Mauser acting as (potential) seller of the Products, all agreements relating thereto as well as related relationships.

1.3

Stipulations deviating from these general conditions must be agreed by Mauser in writing and are only applicable to the relevant agreement.

1.4

If any provision of these general conditions is invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of the general conditions which shall remain in full force and effect.

Mauser and Buyer agree to substitute any invalid or unenforceable provision with a valid and/or enforceable provision, which achieves to the greatest extent possible the objectives of the invalid or unenforceable provision.

1.5

The applicability of general conditions used or referred to by Buyer is explicitly rejected.

1.6

In the event a specific agreement between Mauser and Buyer is concluded to which these general conditions apply, the provisions of such specific agreement shall prevail in case of a conflict between the provisions of such specific agreement and the provisions of these general conditions. In case of a dispute between the English text of these general conditions and translations thereof, the English version will prevail over any translations thereof.

2. OFFERS

2.1

All offers made by Mauser are without engagement, unless explicitly agreed otherwise and are based on performance of the agreement under normal conditions and during normal working hours according to the information supplied by Buyer.

2.2

Buyer's orders are deemed irrevocable. Cancellation or amendment of an order is only possible with Mauser's consent and against payment of any costs incurred by Mauser.

2.3

If Mauser does not confirm an order placed by Buyer by electronic means within a reasonable period of time after receipt of such order, such non-confirmation shall not be considered a rejection and Buyer may not rescind the agreement on that basis.

3. AGREEMENT

3.1

An agreement between Mauser and Buyer is concluded, when Mauser accepts Buyer's order in writing, or when Mauser commences the execution of the order placed by Buyer. The order confirmation is deemed to correctly and – if no additional arrangements are made- completely reflect the agreement.

3.2

Amendments, additions or promises made after conclusion of the agreement by Mauser's employees, agents, representatives or other persons acting on Mauser's behalf are only binding if confirmed in writing by Mauser.

3.3

Buyer is obliged to provide Mauser with all information and documents necessary to execute the agreement (including governmental requirements regarding Mauser and/or the Products). Mauser is not obliged to verify whether the information and documents are correct. Failure by Mauser in the performance of its obligations due to incorrect or incomplete information provided by Buyer cannot be attributed to Mauser. Buyer is liable for the damage resulting from incorrect or incomplete information.

3.4

Samples and models of the Products provided to Buyer only serve as an indication. The Products do not need to correspond with these samples or models.

3.5

Buyer may not assign the agreement or assign or encumber any of its rights there under to group companies or third parties, without Mauser's prior written consent.

4. PRICES

4.1

All prices are excluding VAT and other charges, duties and taxes imposed by governmental authorities and are based on delivery FCA under the Incoterms (latest edition), unless otherwise agreed in writing.

4.2

In case of changes in cost prices and/or tariffs such as wages, raw materials, official currency rates, freight tariffs, Mauser is entitled to pass on such adjusted prices to Buyer.

5. DELIVERY

5.1

The time for delivery indicated by Mauser only serves as an estimate and is not of the essence. In case of untimely delivery, Buyer has to give notice in writing to Mauser granting Mauser a reasonable time for delivery.

5.2

Delivery will be done under the terms included in the order confirmation. If no condition has been agreed, delivery will be done FCA under the Incoterms (latest edition).

5.3

The time of delivery is based on the (labour) conditions as known and in force at the time of conclusion of the agreement. Delay in delivery does not entitle Buyer to wholly or partly rescind the agreement or cancel an order or to claim damages, except in case of wilful intent or gross negligence of Mauser or its directors.

5.4

Mauser is entitled to postpone deliveries until Buyer has fulfilled all its outstanding payment obligations towards Mauser.

5.5

Mauser is entitled to deliver prior to the agreed delivery date and is entitled to deliver in parts and to invoice such partial deliveries separately.

5.6

If a delay in delivery is caused by or a consequence of an act or omission of Buyer or force majeure as meant in clause 11, Mauser is entitled to postpone delivery with the period of the delay.

5.7

Minor deviations with respect to the agreed quantities, weight, measures, colour, quality, thickness and/or composition not affecting the agreed performance specifications are deemed accepted by Buyer.

6. ACCEPTANCE OF DELIVERY

6.1

Buyer shall procure that Mauser can deliver the Products at the named place of destination on the agreed delivery date and is obliged to cooperate with delivery. Without prejudice to clause 8 (Guarantee), Buyer shall be deemed to have received the Products in good order upon acceptance of delivery.

6.2

If Mauser provides for transport of the Products and Buyer fails to comply with its obligation under clause 6.1, Buyer is in default without any further notice of default being required. In that case, or if Buyer omits to provide the necessary information for delivery, Mauser is entitled to pass on the additional costs (e.g. storage, transport, insurance) to Buyer. Mauser will store or procure storage of the Products concerned on Buyer's risk and account. If Buyer does not collect the Products concerned within the stipulated term, Mauser is entitled to terminate the agreement in whole or in part and to dispose of the Products concerned in any manner it deems fit, without any compensation whatsoever being due by Mauser or, at Mauser's option, to destroy the Products for Buyer's account.

6.3

The day on which Buyer does not accept delivery is considered to be the delivery date. The risk of the Products passes to Buyer as of the moment in which Buyer refuses acceptance.

7. PAYMENT

7.1

Payment by Buyer shall be made within 30 days after the date of invoice, unless agreed otherwise, in the currency stipulated on the invoice.

7.2

If payment is not received by the due date, Buyer is immediately in default, without any further notice being required. Mauser shall be entitled to charge statutory interest in business transactions, whereby part of a month is calculated as an entire month. Without prejudice to any other rights or remedies Mauser may have, Mauser is in that case entitled to immediately claim payment of all outstanding invoices, regardless of whether these are already due, and to postpone performance of its obligations under the agreement and/or to terminate the agreement in whole or in part.

7.3

All costs relating to the collection of debts as well as all judicial and extra-judicial costs are for Buyer's account, with a minimum of 15% of the principal amount.

7.4

In case Mauser has good reason to believe that Buyer will not strictly or timely fulfil its obligations vis-à-vis Mauser, Buyer is obliged at Mauser's first request to provide satisfactory security in the form requested by Mauser with respect to the fulfilment of Buyer's obligations under the agreement(s). All costs in this respect are for Buyer's account. If Buyer fails to comply with Mauser's request, Mauser is entitled to postpone fulfilment of its obligations.

7.5

Buyer is not entitled to set off its obligations against any claim it may have against Mauser, whether or not due and payable nor to suspend payment or make a deduction.

7.6

Payments made by Buyer shall be deemed to have been made first to settle judicial and extra judicial costs as stipulated in clause 7.3, accrued interest as stipulated in clause 7.2, thereafter they shall be charged to the oldest debt, irrespective of indications made by Buyer.

7.7 Mauser may at any time set off its obligations towards Buyer, in whatever currency and whether or not due and payable, against any claims which it may have against Buyer, in whatever currency and whether or not due and payable.

8. WARRANTY AND INSPECTION

8.1

Mauser warrants that the Products comply with the agreed specifications. This warranty is only valid in case of first use of the Products. Mauser disclaims and excludes all other warranties, express or implied, including without limitation fitness for a particular purpose or merchantability or with respect to the services rendered by Mauser. It remains Buyer's responsibility to select the appropriate Product based upon all information at its disposal.

8.2

Mauser never warrants the absence of defects, which are the consequence of complying with any mandatory governmental laws and regulations regarding the nature or the quality of the raw materials and/or materials applied in the delivered Products.

8.3

Buyer cannot claim under this warranty if it has used the Products for another purpose than for which they are fit, it has not properly stored the Products, after it (or a third party on its behalf) has repaired, processed, installed or assembled the delivered Products or has delivered the Products to third parties, nor in case of normal wear and tear, defects caused by moisture, corrosion or differences in temperature.

8.4

Warranty claims will be dealt with provided these have been filed in writing and within the stipulated time frame and provided that the Products in question remain available in the state in which they were delivered. Buyer is obliged to inspect the Products and their packaging at delivery in order to evaluate whether they conform to the agreement and are free from defects. Any shortages or defects must be notified on the delivery notice, failing which Buyer loses its right to claim under this warranty.

8.5

Buyer must inform Mauser of any claims regarding quantities and measures in writing within 48 hours after delivery, failing which the information on the delivery order, freight documents, invoice etc. are deemed to be correct. Claims regarding visible defects must be notified to Mauser in writing within 8 days after delivery. Claims regarding defects that are not visible, must be notified to Mauser in writing within 8 days after delivery of the Products or after such moment that the defect or deviation could reasonably have been detected, but in any case, within 30 days after delivery.

8.6

If a claim of Buyer under this clause 8 is considered to be justified by Mauser, Mauser is, at its discretion, only obliged to either deliver the lacking part or quantity, replace the Products delivered or to credit Buyer the amount paid for the relevant Products, without any compensation becoming due.

8.7

Buyer is not relieved from its payment obligations upon filing a warranty claim. Defects in part of the delivered Products do not entitle Buyer to refuse acceptance of the entire delivery. If a warranty claim is made regarding the number of Products delivered in deviation of Buyer's order, the actual number of Products delivered shall be invoiced.

8.8

Return of Products delivered under this clause 8 is only permitted after Mauser has given its prior written consent and under the conditions as prescribed by Mauser.

8.9

Any claim and/or defence, based upon facts that would justify the claim that the Products delivered do not conform to article 8.1, expires one (1) year after the date of delivery.

9. RISK AND TITLE TO THE PRODUCTS

9.1

Unless agreed otherwise, the risk of the Products passes to Buyer as per the agreed Incoterm.

9.2

Mauser retains title to the Products delivered or to be delivered, until Buyer has fulfilled its payment obligations with respect to all Products delivered or to be delivered under the agreement(s) and with respect to all claims based on breach of such agreement(s).

9.3

Until Buyer has fulfilled its payment obligations in full, Buyer is neither entitled to pledge nor to otherwise encumber the Products for security reasons or otherwise. Buyer may only dispose of the Products in the normal course of its business.

9.4

If Buyer fails to perform its obligations under the agreement or in case Mauser has good reason to believe that Buyer will fail, Mauser is entitled to collect the Products of which title is retained from Buyer or a third party. Buyer is obliged to cooperate and herewith irrevocably grants Mauser the right to enter the premises where the Products are located and undertakes to ensure this right on behalf of Mauser for sites of third parties.

9.5

Buyer is obliged to safely store the Products in a dry place, separate from other parties' products and to clearly mark these as property of Mauser and keep the Products insured.

9.6

Buyer undertakes to pledge, upon Mauser's first request, to Mauser all present and future receivables of Buyer relating to the sale of the Products to its customers in order to provide security with respect to any claim Mauser may from time to time have upon Buyer.

9.7

The property law aspects of retention of title to the Products shall be governed by Norwegian law or, at Mauser's discretion, by the laws of the country of destination of the Products, provided that (i) the laws of such country in respect of retention of title provide better protection to a creditor than Norwegian law and (ii) the Products are actually imported in that country of destination.

ARTICLE 10. TERMINATION/SUSPENSION

10.1

If Buyer: (a) files for an application or an application is filed with regard to Buyer for bankruptcy or if Buyer is declared bankrupt, if an application for a (preliminary) suspension of payments with regard to Buyer is made or granted, a creditor of Buyer levies execution against, forecloses on, or takes possession of, all or any part of Buyer's assets which is not lifted within 10 days; or (b) fails to fulfil any obligation arising out of the law or agreement (including these general conditions) vis-à-vis Mauser after a notice of default has been sent; or (c) ceases to carry on its business or a substantial part thereof, then Buyer is deemed to be automatically in default and all outstanding invoices shall become immediately due and payable.

10.2

In the situations mentioned in clause 10.1, Mauser is entitled, without any compensation becoming due and without prejudice to any other rights or remedies Mauser may have, to extra judicially

terminate the agreement in whole or in part by sending Buyer a notice to this effect, without any notice of default being required and/or to suspend performance of its obligations under any agreement with Buyer.

10.3

Buyer shall immediately inform Mauser if attachment is laid on any Products as meant in clause 9.2 or if any of the circumstances mentioned under clause 10.1 occurs.

11. FORCE MAJEURE

11.1

If Mauser fails to perform any of its obligations due to Force Majeure, Mauser is entitled to suspend performance of its obligations under the agreement or to terminate the agreement in whole or in part, without any compensation being due by Mauser. Mauser if will in inform Buyer in writing if a situation constituting Force Majeure occurs.

11.2

The term "Force Majeure" shall mean any permanent or temporary circumstance, event or occurrence the cause of which is not reasonably within the control of Mauser including, without limitation, acts of God, strikes, fires, floods, explosions, wars, acts of terrorism, riots, delays of carriers, transportation problems, perils of the sea, embargoes, shortage of raw materials, unavoidable accidents, restrictions imposed by national or local jurisdictions or any governmental authority and all other circumstances under which Mauser can reasonably no longer be held to fulfill its obligations towards Buyer.

12. LIABILITY

12.1

Without prejudice to clause 8 (Warranty) and except in case of gross negligence or wilful intent of Mauser or its directors, Mauser's liability is limited to the amount invoiced (excl. VAT) under the purchase order relating to the Products, which caused the damage, or, at Mauser's sole option, to the amount actually paid out by Mauser's insurers.

12.2

Mauser shall never be liable for consequential or indirect losses or damages, including but not limited to loss of profits, incurred losses, costs and expenses, loss of contracts, loss of savings or losses caused by disruption or stoppage of the production and/or the business, personnel injury or claims from third parties against Buyer, or any other damages of any kind whatsoever.

12.3

Mauser is not liable for damages and losses caused by gross negligence or wilful intent of its employees and/or agents.

12.4

Mauser stipulates all legal and contractual defences that it can invoke in respect of its liability towards Buyer also for the benefit of its employees and agents for which it can be held liable.

12.5

Buyer is obliged to indemnify and hold Mauser harmless against any and all claims of third parties related to the delivered Products, except to the extent the damage is caused by wilful intent or gross negligence of Mauser or its directors.

12.6

The foregoing provisions do not affect liability based on mandatory law.

13. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

13.1

Buyer acknowledges that all intellectual and industrial property rights pertaining to the Products are and shall remain in Mauser's exclusive ownership. Products may not be copied or otherwise manufactured or reproduced.

13.2

Buyer shall keep confidential the terms and conditions of the agreement and all technical, business, financial and other information, which becomes known, to Buyer with respect to Mauser and/or the Products. In the event Buyer breaches its obligation under this clause it shall immediately, without any further action or formality being required, become liable to Mauser for an immediately due and payable penalty of EUR 100,000,-, without prejudice to the right of Mauser to claim specific performance or damages in addition to this penalty.

14. APPLICABLE LAW AND DISPUTE RESOLUTION

14.1

Norwegian law shall – with the exception of choice of law under clause 9.7 and the provisions of the United Nations Convention on the International Sale of Goods (1980) - be applicable to all legal relationships between Mauser and Buyer.

14.2

All disputes arising under or in connection with an agreement or agreements resulting there from or the performance thereof between Mauser and Buyer as well as any disputes regarding these general conditions, shall be exclusively settled by competent court in Norway.