

GENERAL PURCHASING CONDITIONS

1. DEFINITIONS

1.1 "Purchase Agreement" means these General Conditions, the Purchase Order Format and other documentations which will be part of the Purchase Agreement by special reference.

1.2 "Force Majeure" means an occurrence beyond the control of the party affected, the time of entering into the Agreement or could not reasonably have avoided or overcome it or its consequences.

1.3 "Goods" means all items to be provided under this Purchase Agreement whether raw materials, processed materials, fabricated products, services, drawings, and other documentation as applicable.

1.4 "Price" means the total sum payable to Supplier in accordance with this Purchase Agreement or as such sum is increased or decreased in accordance with the provisions of this Purchase Agreement.

1.5 "Supplier" means the company stated on the front page of the Purchase Order Format.

1.6 "Purchaser" means INEOS Bamble AS

2. MANUFACTURE OF THE GOODS

2.1 Supplier shall manufacture the Goods in a professional and workmanlike manner and in accordance with the provisions of this Purchase Agreement.

2.2 Supplier shall search for faults, omissions and inconsistencies in the various parts of the Purchase Agreement and shall without undue delay notify Purchaser in writing of any such fault, omission or inconsistency discovered.

3. ASSIGNMENT AND SUBCONTRACTS

3.1 Supplier shall not assign this Purchase Agreement or subcontract any part of this Purchase Agreement without Purchaser's prior written approval. Use of hired labour and minor purchases shall, however, not be subject to such approval.

3.2 Purchaser may at any time assign any or all of its rights or obligations under this Purchase Agreement to a third party.

4. QUALITY ASSURANCE

4.1 Supplier shall have an implemented and documented quality system in accordance with NS-ISO 9001 or equivalent, unless otherwise specified in this Purchase Agreement.

4.2 Purchaser or his representative shall have the right to undertake quality audits and verifications of Supplier's and any subcontractor's quality system.

5. INSPECTION/VERIFICATION

5.1 Purchaser or his authorised representative shall have the right to make the inspections and verifications they consider necessary in order to verify that the Goods are manufactured in accordance with the conditions of this Purchase Agreement. Such inspections and verification may be made at Supplier's facilities, and/or at any of his subcontractor's facilities. Supplier shall give necessary assistance in carrying out these inspections and verifications. Supplier shall, if requested by Purchaser, supply to Purchaser test reports, materials certificates, calculations etc.

5.2 The above mentioned inspections and verifications do not exempt Supplier from responsibility for the Goods according to this Purchase Agreement. The same applies if Supplier provides Purchaser with technical or other documentation for Purchaser's review or approval.

6. PROGRESS

6.1 If Supplier has reason to believe that any part of the Goods may be delayed, he shall immediately notify Purchaser in writing, and in addition inform Purchaser in writing about the following:

- a) reason for and extent of delay
- b) efforts which Supplier considers appropriate to avoid, limit or recover the delay.

6.2 If Supplier's measures to avoid or recover the delay are not sufficient, Purchaser may require that Supplier takes the necessary measures at Supplier's cost. If the delay is caused by circumstances for which Purchaser is responsible. Purchaser may, however, only require such measures to be taken in accordance with the provisions for variations in Article 7.

7. VARIATIONS

7.1 Purchaser has the right to order variations to the Goods.

Such variations may include an increase or decrease in the quantity, character, kind, features and characteristics or manufacture of the Goods or part thereof and adjustments to the schedule, provided that such variations do not exceed that which the parties could reasonably have expected when this Purchase Agreement was signed.

7.2 Before Purchaser issues a variation order he will require that Supplier within 1 week from the receipt of such request, shall submit to Purchaser an estimate containing:

- a) a description of the work to be performed under the variation,
- b) the effects on the price
- c) the effects on the schedule

If Supplier does not issue such estimate, it shall be considered as an acceptance without any effect on Price and schedule, and the variation order will be issued reflecting same.

7.3 Purchaser shall express his opinion about Supplier's estimate under Article 7.2 within 1 week after receipt of the estimate.

7.4 Unless otherwise agreed in this Purchase Agreement, the effect of the variation orders shall be determined through negotiation between the parties.

7.5 A variation order shall be early identified such as such and issued on a standard form, and contain a complete description of its effect on the Price, the schedule and/or other conditions of the Purchase Agreement.

7.6 Supplier shall upon Purchaser's request implement a variation order, even if the parties have not agreed upon the variation order's effect on the Price, the schedule and/or other conditions of the Purchase Agreement.

7.7 Until the parties have agreed upon the effects on the Price or the schedule, or other conditions of the Purchase Agreement, Purchaser shall pay to Supplier the undisputed amount.

8. DELIVERY AND COMPLETION OF THE GOODS

8.1 The Goods shall be delivered properly packed and marked at the agreed place of delivery and within the stipulated time.

Unless otherwise expressly set forth in this Purchase Agreement the terms and conditions shall be interpreted in accordance with INCOTERMS 1990.

8.2 Supplier shall not have the right to withhold delivery of the Goods as security for claims against Purchaser, even if the compensation to be paid to Supplier is disputed.

9. GUARANTEES AND ACCEPTANCE OF THE GOODS

9.1 Supplier guarantees the manufacture of the Goods and that the Goods conform to the drawings, data sheets and specifications. Supplier also guarantees that materials and equipment provided by Supplier for incorporations into the Goods are new, and that engineering performed by Supplier is suitable for the purpose and use for which it is intended to serve in accordance with this Purchase Agreement.

9.2 Unless otherwise stated in this Purchase Agreement, the guarantee period for the Goods expires one year from the date the Goods are taken into use for their intended purpose, but limited to two years from the date of delivery.

9.3 If Supplier has performed guarantee work during the guarantee period, Supplier shall guarantee the parts of the Goods so repaired for a period of one year from the date of completion of the guarantee work or for the remaining part of the guarantee period in Article 9.2 if this is longer.

10. SUPPLIER'S GUARANTEE

10.1 If requested by Purchaser Supplier shall at his own cost furnish a guarantee which shall at all time equal 10% of the Price. The guarantee shall be issued from a bank or insurance company in a form acceptable to Purchaser. The guarantee shall be furnished to Purchaser before the time of presentation of Supplier's first invoice in accordance with Article 11.

10.2 The guarantee shall remain effective for its full value until expiry of the guarantee period according to Article 9.2. From the expiration of the guarantee period according to Article 9.2, the guarantee shall remain valid for an amount equal to the cost of any remaining guarantee work.

11. PAYMENT OF THE PRICE INVOICING AND AUDIT

11.1 Purchaser shall pay the Price to Supplier.

11.2 Unless otherwise agreed, Supplier shall invoice Purchaser following delivery of the Goods. Purchaser shall pay the undisputed part of the invoice within 60 days of receipt.

11.3 During business hours Purchaser or his authorised representative has the right to audit all documentation insofar as it relates to reimbursable work. Purchaser shall have this right for the period from date of the Purchase Agreement until two years after the expiration of the year in which delivery of the Goods took place.

11.4 In the event of late payment of undisputed invoices, Supplier has the right to claim interest in accordance with the Norwegian Act - "Interest due on late payment of debts" (Morarenteloven).

12. TITLE TO AND CARE OF THE GOODS

12.1 Title to the Goods shall pass to Purchaser as parts of the Goods are identified, marked or separated for the purpose of this Agreement, or when Purchaser has paid for them if this occurs earlier.

12.2 Any part of the Goods with respect to which title has passed to Purchaser, but which remain in the possession of Supplier, shall be registered as being held for delivery to Purchaser and as being the property of Purchaser.

13. SUPPLIER'S DELAY

13.1 If delivery of the Goods is delayed, Supplier shall pay a penalty to Purchaser. The percentage penalty for not meeting the delivery date shall be 0,35% of the Price per calendar-day.

Supplier's cumulative liability for penalty under this Article is limited to 10% of the Price.

14. SUPPLIER'S LIABILITY FOR DEFECTS AND BREACH OF GUARANTEES

14.1 If the Goods are found to be defective after they are completed or after the Goods have been delivered to Purchaser, or if Supplier is in breach of this guarantees according to Article 9, Supplier shall remedy the defect at his own cost. Supplier shall consult with Purchaser as to the remedial measures Supplier intends to effect.

If Supplier is not able to remedy a defect within a reasonable time after Purchaser's notification of the defect, or if Purchaser is unwilling to permit Supplier to perform rectification work, Purchaser shall be entitled to perform said rectification's or cause them to be performed by third parties. All necessary cost thereof shall be borne by Supplier. In such instances Supplier shall immediately be informed. In addition Purchaser shall be entitled to damages according to law.

15. TERMINATION DUE TO SUPPLIER'S DEFAULT

15.1 The Purchaser has the right to terminate this Purchase Agreement with immediate effect by written notice to Supplier if one or more of the following situations occur.

- a) Supplier becomes insolvent
- b) Supplier is in substantial breach of his obligations hereunder
- c) Purchaser has the right to apply maximum penalty in accordance with article 13.1

15.2 Neither of the Parties shall have the right to make a claim against the other Party due to consequential losses.

16. FORCE MAJEURE

16.1 Neither of the parties shall be considered in default of their obligations according to this Purchase Agreement to the extent that it can be established that performance of such obligations was hindered by Force Majeure.

16.2 The party affected by Force Majeure shall immediately give notice to the other party about such situation.

16.3 If a Force Majeure situation continues without interruption for a period of 30 days or more, each of the parties shall be entitled to terminate this Purchase Agreement by written notice to the other party. In such case Purchaser may require the Goods to be delivered in the conditions they are in at the cancellation date, upon paying a pro rata part of the Price.

17. CANCELLATION

17.1 Purchaser has the right to cancel this Purchase Agreement at any time giving written notice to Supplier.

17.2 In the event of such cancellation, Purchaser shall pay to Supplier:

- a) the unpaid balance due for the work actually performed on the Goods
- b) all direct costs incurred by Supplier as a result of the cancellation.

17.3 In addition Purchaser shall pay a cancellation fee equal to the lesser of:

- a) 4% of the Price, or
- b) 6% of the part of the Price which is not paid at the date of cancellation and which shall not be paid pursuant to Art. 17.2.a).

17.4 Supplier shall, in accordance with Purchaser's instructions, make its best efforts to cancel subcontracts on terms acceptable to Purchaser.

18. INDEMNITY

18.1 Both parties shall mutually indemnify and hold each other harmless from and against all losses or damages to their respective properties or personnel hereunder that may arise in connection with or as a result of this Purchase Agreement.

Nevertheless, Supplier shall be responsible for the Goods until delivery has taken place in accordance with Article 8.

19. INSURANCES

19.1 Supplier shall insure the Goods until delivery has taken place. At Purchaser's request, Supplier shall furnish to Purchaser certificates of insurance.

The policies shall state that the insurers waive any right of subrogation against Purchaser.

20. CONFIDENTIAL INFORMATION

20.1 All information furnished by the parties to each other in connection with this Purchase Agreement, shall be treated as confidential.

Each of the parties may, however, disclose confidential information to third parties to the extent necessary for the manufacture of, use and control of the Goods. In such case the parties shall secure written confidentiality agreements from third parties.

20.2 Supplier shall not publish information concerning the Goods or the Purchase Agreement without Purchaser's written approval, which shall not unreasonably be withheld.

21. INVENTIONS/PATENTS

21.1 Inventions made by Supplier during the manufacture of the Goods shall be the property of Supplier, provided that this is not a violation of any third party's rights. Notwithstanding the above, inventions which are mainly based on technical information which Supplier has received from Purchaser, shall be the property of Purchaser. Supplier shall notify Purchaser of such inventions which are Purchaser's property, and Supplier shall provide the necessary assistance in order to enable Purchaser to acquire patents to such inventions. Purchaser shall reimburse Supplier for all reasonable expenses incurred in connections with acquiring such patents, including compensation which any employee of Supplier may be entitled to according to applicable law.

21.2 Supplier shall grant to Purchaser an irrevocable, royalty-free, non-exclusive licence to inventions now or hereafter controlled by Supplier to the extent necessary for the manufacture, operation, maintenance and repair of the Goods.

21.3 It is Supplier's responsibility that the Goods and the use of these do not infringe any patent or other protected right of third party, and shall indemnify Purchase from claims resulting from infringements of patents or other protected right of third party.

22. GOVERNING LAW AND DISPUTES

22.1 This Purchase Agreement shall be governed by and construed in accordance with the laws of the kingdom of Norway.

22.2 Any court proceedings will be brought before Oslo City Court.