

Subject	2 - Purchasing Terms			
Specification	2.1 - General purchasing terms			
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Buyer in this document is Sør-Norge Aluminium AS (Hydro Husnes)

1. Offer

- 1.1 There will be no remuneration for offer preparations. Possible deviations from the inquiry documents must be specified explicitly.
- 1.2 Buyer is free to choose any of the received offers or reject all.

2. Order and order confirmation

- 2.1 Only written purchase orders are binding for Buyer.
- 2.2 Order confirmation shall be forwarded to Buyer no later than 7 (seven) days following the order date. Otherwise Buyer reserves his right to cancel the order.
- 2.3 Material Safety Data Sheets (MSDS) shall be included with all chemicals delivered and accepted by Buyer before delivery has taken place.

3. Delivery and time of delivery

- 3.1 If the time of delivery stated in the order is according to a given offer, it is binding. If the order does not refer to any particular offer, the time of delivery quoted in the order is binding for Seller, unless another delivery time is stated in the order confirmation.
- 3.2 If the delivery has been delayed, Buyer has the right to cancel the order or to claim penalty at 2% of the order amount per calendar day. Part deliveries that are delayed will be counted pro rata. The penalty is limited to maximum 10% of the order amount. This claim no longer applies if Seller pleads force majeure. Seller should inform Buyer in writing as soon as it turns out that an agreed time of delivery cannot be kept. Seller should then state the reason for the delay as well as the new time of delivery. If no such information is sent, Seller has lost their right to plead force majeure.
- 3.3 If Seller or someone for whom they are answerable, is guilty of gross negligence, Buyer can, instead of penalty, claim compensation for the direct and indirect loss suffered by the delay.
- 3.4 The delivery shall be properly packed. The packing and necessary forwarding papers shall be marked with Buyer's name and address, Buyer's order no., Seller's name, product name, number, gross and net weight in kgs. Deviations from these requirements for packing and marking, can lead to return of the delivery on Seller's account.

4. Drawings, documentations and training

- 4.1 All drawings and descriptions supplied by Buyer remain Buyer's property. These shall not be copied, reproduced or handed over to others without Buyer's written consent.
- 4.2 All documentation such as certificates, drawings, instructions etc. specified in the order, are considered as a part of the delivery. No later than the delivery date, the Seller shall, at no cost, make 2 (two) sets (or an otherwise agreed number) of pertaining technical documentation available to Buyer, sufficiently detailed that Buyer may perform installation, commissioning, operation, and maintenance (current maintenance included) of all parts and components of the product.
However, Seller is not obligated to provide documentation related to the manufacturing of the product or its spare parts. Upon agreement with Buyer, Seller may fulfil the obligations above by making said documentation available via Internet. Training plan for operation and maintenance shall be available before start up and testing. Seller must submit maintenance and operation manuals in 3 copies, in Norwegian, if nothing else has been agreed.

5. Quality assurance and control

- 5.1 Seller shall have a quality assurance system which covers the nature of the purchase. Buyer has the right to request that Sellers quality assurance system is according to ISO 9000 series, and that all activities keep an acceptable environmental standard.
- 5.2 Seller is responsible for that the equipment is delivered with declaration of conformity and CE-marking. Buyer can demand that Seller delivers the risk analysis that the declaration of conformity and CE-marking are based on.
- 5.3 At any time Buyer has the right to make the inspections and tests that they desire, to control that the delivery is in accordance with the order. Buyer can then also demand that Seller presents test documents, material certificates and calculations for parts exposed to particular strain in accordance with the quality assurance. Such control does not exempt Seller for the responsibility that the delivery will be in accordance with the order.

6. Insurance

- 6.1 Seller shall, on Buyer's request, hand over original certificates of insurance with terms for the insurance he is are obliged to effect according to the order.
- 6.2 Seller is responsible to affect an insurance covering company and product liability.

7. Erection and acceptance

- 7.1 Erection is not included in the delivery unless this is agreed.
- 7.2 Travelling route shall be approved by Buyer in the cases where the travelling expenses are charged Buyer.
- 7.3 All additional- and hourly basis work must be agreed upon in writing with Buyer before the work is put in progress. Additional and hourly based work that Seller has done or claims to have done without being able to refer to a written order, will not be paid by Buyer.
- 7.4 Erection work must be done within the framework of rules, procedures and regulations in force at the working area.

8. Defects and guarantee

- 8.1 Seller is responsible that all the qualities prescribed will be fulfilled. Seller shall guarantee that the delivery is in accordance with the requirements from the Norwegian authorities (Arbeidstilsynet), which apply in the actual area. If there is any doubt about this, it is Sellers duty to make the necessary investigation to clear up the matter.
- 8.2 Seller shall not use subcontractors unless they are approved by Buyer in advance. Still Seller is guarantor for the whole delivery.
- 8.3 Buyer shall inform Seller in writing within a reasonable time after they have discovered a defect. The deadline for claiming expires 2 years after accepted delivery or formal taking over. If spare parts are replaced or repaired during the guarantee period, the guarantee period for these will start from the date of replacement or repair. Seller shall cover all expenses in connection with the claim.

9. Price

- 9.1 If nothing else has been agreed, the price is to be understood for delivery DDP Hydro Husnes (ref. last updated INCOTERMS) incl. packing, excl. taxes.
- 9.2 All prices are fixed. Fixed prices mean that Buyer does not accept currency clauses, indexing of prices or other forms of adjustment.
- 9.3 Seller shall not charge invoicing fee, forwarding fee, packing fee, marking fee etc. in addition to the prices.
- 9.4 If the freight is to be paid for by Buyer, the instructions which Buyer at any time gives are to be followed. If no such instructions are known, Seller must contact Buyer to get them.

10. Payment

- 10.1 If no other terms have been agreed, the invoice will be paid free month + 45 days after contractual delivery has taken place, however, at the earliest 30 days after correct invoice is received.
- 10.2 All invoices must be marked with Buyer's order no. Invoices to be forwarded to: invoice.husnes@hydro.com.
- 10.3 With prepayments, Seller shall always issue a bank guarantee for the prepayment amount.

11. Patent rights

Seller is responsible that machines, equipments, drawings and instructions supplied by him do not infringe the patent rights or other non transferable rights of others. Seller is obliged to protect Buyer from loss or any demand arising in that respect.

12. Disputes

Any dispute in connection with this order is to be solved according to Norwegian law at Sunnhordland Tingrett.

13. Other terms

In addition to these General Purchasing Terms, Buyer has technical specifications for construction, electro, machine, vehicle, surface treatment and LOTO. In addition there exist instructions for contractors and hired companies that have work within Buyer's plant area, and also forwarding instructions for suppliers of goods.

14. Supplier Code of Conduct

- 14.1 Seller shall, throughout the term of the Contract, ensure that it complies with the principles set out in Buyer's Supplier Code of Conduct (a copy of which is attached to the Contract). Furthermore, Seller shall actively promote the principles set out in Buyer's Supplier Code of Conduct with its own suppliers/contractors and sub-suppliers/subcontractors of any tier that have a material contribution to the supply of the Deliverables to Buyer (Seller and such suppliers/contractors/sub-suppliers/subcontractors being together, the "Supply Chain").
- 14.2 Buyer may, at any time during the term of the Contract, take any reasonable actions to monitor and audit Seller's compliance with its obligations under Article 14.1, including, without limitation, (i) by requiring Seller to provide details of the Supply Chain's compliance systems; and (ii) by carrying out, with reasonable prior notice, inspections of the Supply Chain's sites. Seller shall provide all reasonable assistance to Buyer.
- 14.3 If at any time, Buyer identifies, or reasonably suspects, non-compliance with or breach of the principles of Buyer's Supplier Code of Conduct ("Non-Compliance") by any member of the Supply Chain, Buyer shall notify Seller of such Non-Compliance. Seller shall provide all reasonable assistance to enable Buyer to investigate the Non-Compliance.
- 14.4 If a Non-Compliance in the Supply Chain is material (with regard to (i) the nature of the principle concerned, (ii) any potential effect on Buyer's and its affiliates' reputations, or (iii) the performance of the Contract) and/or is not able to be corrected, Buyer may terminate the Contract by written notice.
- 14.5 If a Non-Compliance in the Supply Chain is immaterial and is able to be corrected, Seller shall be given a reasonable period within which the Non-Compliance shall be corrected. Seller shall, without undue delay, submit a correction plan to Buyer. If upon the expiry of the correction period, the Non-Compliance has not been corrected, Buyer may terminate the Contract by written notice.
- 14.6 The rights and remedies in this Article 14 are not exclusive of and are without prejudice to any rights and remedies provided elsewhere in the Contract and by general law.