

1. GENERAL PROVISIONS

Agreement Document is the document signed by the Parties which confirms the establishment of the Contract.

Party is the Customer or Supplier in accordance with the Contract.

Contract is the Agreement Document, these General Terms and Conditions for Purchase of Goods, and any appendices, addenda and changes that have been agreed in writing.

The Delivery is what has been agreed to be delivered in accordance with the Contract.

General

These General Terms and Conditions apply to all deliveries for which the Norwegian Water Resources and Energy Directorate (NVE), including the individual departments and companies within NVE, is the Customer.

On the establishment of the Contract, the Supplier has approved NVE's General Terms and Conditions. Any deviating conditions will not affect the Parties unless they have been approved by the Customer in writing.

The Supplier's own sales terms and conditions, which may be attached to cover documents, order confirmations or invoices, will not be accepted where they deviate from these General Terms and Conditions for Purchase of Goods.

Notifications, notice and requirements that are to be submitted in writing in accordance with the Contract must be submitted by letter, telefax or e-mail to the other Party's designated contact.

Conflict

In the event of conflict between contract documents, the contract documents will apply in the following prioritised order:

- Agreement Document
- These General Terms and Conditions for Purchase of Goods
- Any appendices (tender documents, quotations, etc.)

2. GENERAL OBLIGATIONS OF THE SUPPLIER

The Supplier must fulfil all requirements of type, quantity, quality, characteristics and packaging stated in the Contract. The delivery must match the purpose, and otherwise be free of legal defects of any type.

All work, including installation concerning the Delivery, must be professionally performed, documented and/or inspected by qualified and authorised personnel, where this is required.

If the Supplier uses sub-suppliers, the Supplier must document to the Customer that the party concerned will have access to the required resources, for example by presenting a declaration of commitment between the Supplier and sub-supplier.

3. CANCELLATION

Until actual delivery has taken place, the Customer may give the Supplier written notice of cancellation of all or part of the Delivery.

On the cancellation of a Delivery manufactured especially for the Customer, and if the Supplier cannot sell on the product without incurring a loss, the Customer will cover the Supplier's documented losses, subject to upward limitation by the agreed price for the stated Delivery.

4. CHANGES

Within the framework that could reasonably be expected by the Parties on the establishment of the Contract, the Customer may require qualitative and/or quantitative changes to the Delivery, as well as changes in the work schedule.

If the Supplier discovers a need for changes, the Customer must be notified of this in writing, as soon as this is found necessary by the Supplier.

The remuneration for changes must be in accordance with the Contract's original unit prices and price level. If changes entail cost increases or savings, the Parties must negotiate this separately, but on the basis of the unit prices.

Changes must be approved by the Customer in a written change order prior to implementation.

On the receipt of a change order, the Supplier must initiate this change order without undue delay, even if the change order's impact on price, work schedule and other conditions in the Contract has not yet been determined.

5. PRICES

Prices are stated excluding VAT and must include all costs related to the Delivery, such as packaging, administration and invoicing costs, customs, taxes and other fees, etc.

6. PAYMENT AND INVOICING

Payment must take place within 30 calendar days after the Customer's receipt of a correct invoice.

The invoice must carry the contract number, and other agreed references, and must clearly state what the amount concerns. Invoices must be submitted electronically in the Electronic Commercial Invoice (ECI) format.

Payment of an invoice is not equivalent to acceptance of the basis for the invoice. The Customer will be entitled to return invoices that do not satisfy the marking requirements.

The Customer can make deductions from invoices received for advance payments, accrued fines and disputed or insufficiently documented amounts.

If it has been agreed that the Supplier is to provide a bank guarantee, the Customer will not be obliged to make payment before this guarantee has been received.

Disputed claims will not fall due for payment before agreement has been achieved, or before any enforceable judgement has been pronounced.

7. DELAYED PAYMENT

In the event of delayed payment, the Customer must pay the current late payment interest at any time on the due amount, in accordance with Norwegian Act no. 100 on Late Payment Interest, etc. of 17 December 1976.

8. QUALITY INSURANCE AND HSE

The Supplier must have a satisfactory quality assurance system that is matched to the Delivery and the party's obligations in accordance with the Contract. On request, the Supplier must document the system to the Customer.

The Supplier must fulfil all of the statutory HSE requirements, and other public orders.

9. TERMS OF DELIVERY

The delivery must be packed responsibly, labelled and delivered free of charge to the agreed place of delivery (DDP) in accordance with INCOTERMS 2000.

10. RETURN OF ITEMS

The Customer will be entitled to return standard items/materials of which the original packaging has not been broken. For returns, the Supplier will credit the Customer with [95%] of the invoice value.

11. DOCUMENTATION, ETC. AND RIGHTS

All necessary documentation for the use of the delivery during the lifetime of the object will be an integrated element of the Delivery.

Defective or lacking documentation will entail that the Supplier will be liable for defects.

The Customer will retain exclusive rights to its own supporting materials. The Customer will have an insight into and the right to use the supporting materials used by the Supplier in relation to the Delivery, irrespective of whether these are the property of the Supplier or a third party.

The Supplier guarantees that it is entitled to use all of its input factors, including third parties' proprietary solutions, and that the rights of other parties will not be infringed on the implementation of the Contract. The Supplier will be held liable for the consequences of any breach of third parties' rights.

12. BREACH OF

CONTRACT Delay

A delay will occur if the Supplier does not deliver at the agreed time or at the agreed place, or if the Delivery is not qualitatively or quantitatively in accordance with the Contract, unless the delay is due to the Customer's circumstances.

If the Delivery is so defective that the Customer's objective with the Delivery is substantially unsuccessful, the Customer may choose to consider this to be equivalent to delay.

Effects of delay

If not otherwise agreed, in the event of delay a fine of [0.4%] of the total remuneration to be paid in accordance with the Contract will be accrued for each calendar day that the Delivery is delayed.

The fine will amount to minimum NOK 1,000 per calendar day from the agreed time of delivery until delivery actually takes place. The overall sum may not exceed 15% of the total remuneration to be paid in accordance with the Contract.

The Customer may terminate the Contract if the maximum fine has accrued, or if the delay entails material breach of contract.

If the delay is due to the Supplier or any party for which it is responsible having shown gross or deliberate negligence, instead of a fine the Customer may claim compensation for the loss suffered as a consequence of the delay.

In the event of delay, or assumed delay, the Supplier must notify the Customer in writing without undue delay. The notification must state the reason for the delay, and when the Delivery will be performed.

If the Customer does not receive this notification within a reasonable time after the Supplier was informed or should have been informed of the impediment, the Customer may require compensation for the losses which could have been avoided, if the notification had been received in due time.

Defects

The Supplier is liable for any defect in the Delivery and its performance.

The Customer must submit a written complaint within a reasonable time after the discovery of the defect, and no later than 24 months after the Customer has received the Delivery. Rectifications will be subject to an equivalent deadline for complaints as from the date of their completion.

Effect of defects

If the Delivery is defective, the Customer may withhold the purchase sum or require rectification, re-delivery or a price reduction. The Customer may refuse rectification if this would be to its disproportionate disadvantage. The rectification must be performed at no cost to the Customer.

If the Supplier does not fulfil its obligation for rectification or redelivery within a reasonable time, the Customer may have the defect rectified for the account and risk of the Supplier.

The Customer may require compensation of the loss suffered as a consequence of the defect. This compensation will be limited to direct losses, unless the Supplier or any party for which it is responsible had acted with deliberate or gross negligence.

The Customer may terminate the Contract if the defect entails material breach of contract. In the event of material breach of contract, the Customer may contest the Supplier's offer of rectification.

13. COMPENSATION

The Customer's right to compensation will not depend on any other claims invoked by the Customer as a consequence of the breach of contract, or on whether such claims can be invoked.

14. FORCE MAJEURE

A Party will not be held liable for delays or defects if these are shown to be due to an impediment outside the Party's control, and which the Party could not reasonably have been expected to have taken into consideration at the time of the agreement, or have avoided or overcome its consequences.

If the delay or defect is due to a third party/subsupplier assigned by the Supplier to fully or partly fulfil the Delivery, the Supplier will only be exempt from liability if the third party/subsupplier would also have been exempt.

A Party may terminate the Contract if the force majeure situation persists, or it is clear that it will persist, beyond 60 days.

15. INSURANCE

For its own account, the Supplier will take out and hold insurance that is matched to the Supplier's activities and the nature of the Delivery.

At the Customer's request, the Supplier will submit documentation of the fulfilment of the insurance obligation.

16. INDEMNIFICATION

The Supplier will indemnify the Customer for any claims as a consequence of damage to the Supplier's property and claims from its own or a third party's personnel.

The Parties must keep each other mutually informed when claims concerning the other Party are submitted by third parties.

17. CONFIDENTIALITY

The Supplier and the Supplier's personnel are obliged to treat all information concerning the Customer and the Delivery as confidential, also after the expiry of the agreement.

The Supplier may not publish the establishment of this Contract, or use the Customer as a reference, without the Customer's written consent. This consent may not be refused without objective grounds.

Any breach of this provision will be considered to be a material breach of the contract.

18. ASSIGNMENT OF THE CONTRACT

The Customer may assign its rights and obligations under the Contract, in full or in part, if it can show that the acquiring party has the required economic strength to be able to fulfil the Customer's obligations in accordance with the Contract.

Without the Customer's consent, the Supplier may not assign or mortgage the Contract, or any part or interest therein. This consent may not be refused without objective grounds.

19. GOVERNING LAW AND LEGAL VENUE

In all respects this Contract will be governed by Norwegian law, and any legal disputes concerning the Contract will be resolved in accordance with Norwegian legal rules of procedure.

It must be sought to resolve any disputes between the Parties by negotiation. If no solution is found within 30 calendar days, the case will be referred to ordinary consideration by the courts.

The legal venue will be the Customer's legal venue.