

Conditions of Sale, Stavanger Steel AS.

Applicability. Definitions

1. These Conditions of Sale shall apply for all deliveries from Stavanger Steel AS (**abbreviated SSA**). Deviations from these Conditions shall not apply unless agreed in writing.

The object or objects which SSA shall deliver according to the contract of the parties is (are) in these conditions referred to as “the Product”. The term includes documentation.

When used in these conditions the term “written” or “in writing” refers to a document signed by both parties or a letter, fax, electronic mail or other means of communication agreed by the parties.

2. Clause 5-11 For Cast Products only

Technical Documents and Technical Information |

3. All technical documentation regarding the Product or its manufacture submitted by one party to the other, prior or subsequent to the formation of the contract, shall remain the property of the submitting party.

Technical documentation received by one party shall not, without the consent of the other party, be used for any other purpose than that for which it was submitted. Except for documentation referred to in Clause 4, it may not without the consent of the other party be copied, reproduced, transmitted or otherwise communicated to a third party.

4. SSA shall, no later than by delivery of the Product, free of charge provide the Purchaser with one set, or the larger number that may have been agreed, of technical documentation,

Patterns, Tools and Equipment

5. Patterns, tools and equipment to be used in performance of the contract, which are provided by the Purchaser, shall remain the Purchaser's property. The Purchaser shall pay SSA for any work necessary to check, adjust or complete such patterns, tools and equipment.

6. Patterns, tools and equipment to be used in performance of the contract, which are provided by SSA shall be paid by the Purchaser and shall become his property. The Purchaser shall, however, not become the owner of SSA's gating and feeding system. SSA shall clearly mark patterns, tools and equipment belonging to the Purchaser.

SSA may, however, completely or partially refuse to hand over patterns, tools or equipment that he has manufactured or have had manufactured, provided that it can reasonably be concluded that his technical know-how will thereby be made known, and that SSA as a result thereof will suffer a loss, which under the circumstances is not

insignificant. SSA shall in such case reimburse the Purchaser the value of that which he retains.

Where, according to the contract, SSA shall provide patterns, tools or equipment, the Purchaser shall reimburse SSA's cost of replacement or repair due to normal wear and tear. The same shall apply for replacement or repair due to other causes for which SSA is not responsible.

7. SSA may not, without the Purchaser's consent, use the Purchaser's patterns, tools or equipment for any other purpose than performance of the contract. Nor may such patterns, tools or equipment be handed over to or otherwise brought to the knowledge of a third party.

8. SSA shall store patterns, tools and equipment for as long as deliveries under the contract are made. If patterns, tools and equipment belonging to the Purchaser remain in SSA's care after deliveries under the contract have ceased, SSA shall store such patterns, tools and equipment at the Purchaser's risk and expense.

All SSA's obligations regarding patterns, tools and equipment shall finally cease three years after deliveries have been completed. SSA shall, however, if possible, inform the Purchaser before scrapping or otherwise disposing of patterns, tools and equipment.

9. The Purchaser decides to what extent patterns, tools and equipment in the care of SSA and belonging to the Purchaser shall be insured. The Purchaser shall bear the cost of such insurance.

10. The Purchaser shall bear the risk and expense of all transport of patterns, tools and equipment to and from SSA.

11. The Purchaser shall indemnify and hold SSA harmless against all consequences of claims based on infringement of patents, design patents, trademarks or other property rights, where such claims result from the manufacture of the goods in accordance with a specification, drawing, sample, pattern, tool or other equipment provided by the Purchaser.

Weights

12. Weights calculated by the Purchaser and SSA before production are only estimates and the price shall be adjusted according to the actual weight in case of deviations. SSA weight will be the current weight.

Test Before Delivery (delivery test)

13. Where a delivery test has been agreed, it shall, unless otherwise agreed, be carried out where the Product is manufactured. If technical requirements for the test have not been agreed, the test shall be carried out in accordance with general practice in the industry concerned in the country where the Product is manufactured.

14. The SSA shall notify the Purchaser in writing of the delivery test in sufficient time to permit the Purchaser to be present at the test. If the Purchaser has received such notice, the test may be carried out even if the Purchaser is not represented at the test.

SSA shall record the test. The test report shall be sent to the Purchaser. The report shall, unless otherwise shown by the Purchaser, be considered to correctly describe the execution of the test and its results.

15. If at the delivery test the Product is found not to be in accordance with the contract,

SSA shall as soon as possible ensure that the Product complies with the contract. If so, required by the Purchaser a new test shall thereafter be carried out. The Purchaser may not, however, require a new test if the defect was insignificant.

16. If no other division of the costs has been agreed, SSA shall bear all costs for delivery tests carried out where the Product is manufactured. The Purchaser shall, however, at such delivery tests bear all costs for his representatives, including costs for travel, board and lodging.

Trade Term

17. If no trade term has been agreed, the delivery shall be Ex Works according to the latest INCOTERMS in force at the formation of the contract. Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the contract.

Time for Delivery. Delay

18. If, instead of a fixed date for delivery, the parties have agreed on a period of time within which delivery shall take place, such period shall start to run at the formation of the contract.

19. If SSA finds that he will not be able to deliver the Product at the agreed time or if delay on his part seems likely, he shall without undue delay
notify the Purchaser thereof in writing, stating the reason for the delay and if possible, the time when delivery can be expected

20. If the Purchaser finds that he will be unable to accept delivery of the Product on the agreed date, or if delay on his part seems likely, he shall without undue delay notify SSA thereof in writing stating the reason for the delay and, if possible, the time when he will be able to accept delivery.

If the Purchaser fails to accept delivery on the agreed date, he shall nevertheless make any payment which is dependent on delivery as if the Product had been delivered. SSA shall arrange storage of the Product at the Purchaser's risk and expense. If the Purchaser so requires, SSA shall insure the Product at the Purchaser's expense.

21. Unless the Purchaser's failure to accept delivery as referred to in Clause 20 is due to any such circumstance as described in Clause 40, SSA may by written notice require the Purchaser to accept delivery within a reasonable period. If, for any reason for which SSA is not responsible, the Purchaser fails to accept delivery within such period, SSA may, by written notice to the Purchaser, terminate the contract in respect of that part of the Product which is ready for delivery but has not been delivered due to the Purchaser's default. SSA shall then be entitled to compensation for the loss he has suffered due to the Purchaser's default. The compensation shall not exceed that part of the price which is properly attributable to the part of the Product in respect of which the contract is terminated.

Payment

22. Unless otherwise agreed payment shall be made against invoice 30 days after the date of the invoice.

Unless otherwise agreed, the agreed purchase price, together with value added tax, if any, shall be invoiced with one third at the formation of the contract, one third when SSA gives written notice that the major part of the Product is ready for delivery. Final payment shall be invoiced at delivery of the Product.

23. If the Purchaser fails to pay on time, SSA shall be entitled to interest from the due date at the rate of interest determined by the law on late payments in SSA's country.

If the Purchaser fails to pay by the due date, SSA may also, after having notified the Purchaser in writing thereof, suspend performance of his contractual obligations until payment is made.

24. If the Purchaser has failed to pay the amount due within three months after the due date, SSA may terminate the contract by written notice to the Purchaser and, in addition to interest on late payment, claim compensation for the loss he has suffered. The compensation shall not exceed the agreed purchase price.

Retention of Title

25. The Product shall remain the property of SSA until paid for in full, to the extent that such retention of title is valid.

Liability for Defects

26. SSA shall, in accordance with the provisions of Clauses 27-37 below, remedy any defect in the Product resulting from faulty design, materials or workmanship.

Where SSA is liable for a defect they shall also be liable for damage to the Product that is caused by the defect.

SSA can not be held responsible for products which have been altered after production, such as heat treated, forged or rolled.

Thus, if the SSA produced order item during further processing does not show the desired results, SSA can not be held responsible for any claim, unless the customer can prove that the material defects were not discovered during the product's testing and certification at SSA.

The Customer's written testing/certification specification on order date applies.

27. SSA's liability does not cover defects caused by circumstances, which arise after the risk has passed to the Purchaser. The liability does not, for example, cover defects due to conditions of operation deviating from those anticipated in the contract or to improper use of the Product. Nor does it cover defects due to faulty maintenance or incorrect installation on the part of the Purchaser, alterations undertaken without SSA's written consent or faulty repairs by the Purchaser. Finally, the liability does not cover normal wear and tear or deterioration.

28. SSA's liability is limited to defects which appear within a period of one year from the date of delivery of the Product. If the Product is used more intensely than agreed, this period shall be reduced proportionately.

29. For parts, which have been repaired or replaced under Clause 26, SSA shall have the same liability for defects as for the original Product for a period of one year. For other parts of the Product the liability period defined in Clause 28 shall be extended only by the period during which the Product could not be used due to a defect for which SSA is liable.

30. The Purchaser shall notify SSA in writing of a defect without undue delay after the defect has appeared and in no case later than two weeks after the expiry of the liability period specified in Clauses 28 and 29. The notice shall contain a description of how the defect manifests itself. If the Purchaser fails to notify SSA in writing within the above time limits, he loses his right to make any claim in respect of the defect.

If there is reason to believe that the defect may cause damage, notice shall be given forthwith. If notice is not given forthwith, the Purchaser loses the right to make any claim based on damage which occurs, and which would have been avoided if such notice had been given.

31. After receipt of a written notice under Clause 30, SSA shall remedy the defect without undue delay. Within this limit the time for remedial work shall be chosen in order not to interfere unnecessarily with the Purchaser's activities. SSA shall bear the costs as specified in Clauses 26-37.

Remedial work shall be carried out where the Product is unless SSA, with regard to the interests of both parties, finds it more suitable to have the Product sent to him or to a place instructed by him.

If the defect can be remedied by replacing or repairing the defective part, and if removal and re-installation of the part does not require special knowledge, SSA may demand that the Purchaser sends the defective part to him, or to a place instructed by him, for repair or replacement. In such case SSA has fulfilled his obligations in respect of the defect when he delivers a duly repaired or replaced part to the Purchaser.

32. If remedy of the defect requires intervention in other equipment than the Product, the Purchaser shall be responsible for any work or costs caused thereby.

33. All transports in connection with remedial work shall be at SSA's risk and expense. The Purchaser shall follow SSA's instructions regarding how the transport shall be carried out.

34. The Purchaser shall bear the increase in costs for remedying a defect which SSA incurs when the Product is located elsewhere than at the destination for SSA's delivery to the Purchaser stated at the formation of the contract, or – if no destination has been stated – the place of delivery.

35. Defective parts, which are replaced under Clause 26, shall be placed at SSA's disposal and shall become his property.

36. If the Purchaser gives such notice as referred to in Clause 30, and no defect is found for which SSA is liable, SSA shall be entitled to compensation for the work and costs which he has incurred as a result of the notice.

37. Regardless of the provisions of Clauses 26-36, SSA shall have no liability for defects in any part of the Product for more than one year from the start of the liability period referred to in Clause 28.

38. SSA shall have no liability for defects save as stipulated in Clauses

26-37. This applies to any loss the defect may cause, such as loss of production, loss of profit and other consequential economic loss. This limitation of SSA's liability shall not apply, however, if he has been guilty of gross negligence.

Liability for Damage to Property Caused by the Product

39. SSA shall have no liability for damage caused by the Product to any immovable or movable property, or for the consequences of such damage, if the damage occurs while the Product is in the Purchaser's possession.

The Purchaser shall indemnify and hold the SSA harmless to the extent that SSA incurs liability towards any third party in respect of loss or damage for which SSA is not liable according to the first paragraph of this Clause.

The above limitations of SSA's liability shall not apply if he has been guilty of gross negligence.

If a third-party lodges a claim for compensation against SSA or Purchaser for loss or damage referred to in this Clause, the other party to the contract shall forthwith be notified thereof in writing.

SSA and the Purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal which examines claims against either of them based on damage or loss alleged to have been caused by the Product. The liability as between SSA and the Purchaser shall, however, always be settled by arbitration in accordance with Clause 43.

Grounds for Relief (Force Majeure)

40. The following circumstances shall constitute grounds for relief if they impede the performance of the contract or makes performance unreasonably onerous: industrial disputes and any other circumstance beyond the control of the parties, such as fire, natural disasters and extreme natural events, war, mobilization or military call up of a comparable scope, requisition, seizure, trade and currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power, strikes and lock-outs, infectious diseases, epidemics, travel restrictions or travel warnings and defects or delays in deliveries by sub-contractors caused by any such circumstance as referred to in this Clause.

The above described circumstances shall constitute grounds for relief only if their effect on the performance of the contract could not be foreseen at the formation of the contract.

41. The party wishing to claim relief under Clause 40 shall without delay notify the other party in writing on the intervention and on the cessation of such circumstance.

If grounds for relief prevent the Purchaser from fulfilling his obligations, he shall reimburse the costs incurred by SSA in securing and protecting the Product.

42. Notwithstanding other provisions of these General Conditions, either party shall be entitled to terminate the contract by notice in writing to the other party, if performance of the contract is delayed more than six months by reason of any grounds for relief as described in Clause 40.

Disputes. Applicable Law

43. Disputes arising out of or in connection with the contract shall not be brought

before the court, but shall be finally settled by arbitration in accordance with the law on arbitration applicable in Norway.

44. All disputes arising out of the contract shall be judged according to the law of Norway.