

GENERAL CONDITIONS OF CONTRACT FOR PURCHASE OF PRODUCTS

These general conditions of contract for purchase of products form part of the Contract ("the Contract"). Any changes to general conditions of contract shall be incorporated in a separate document hereafter referred to as "Contract document" including Special conditions.

1 DEFINITIONS

The following definitions shall apply in these General contract conditions:

"Buyer":	meaning the company stated as such in the Purchase Order.
"Supplier":	meaning the company stated as such in the Purchase order.
"Product":	meaning the contract object(s) with related services to be delivered under the Contract or as varied pursuant to Article 12.1., including software, documentation, goods and materials.
"Contract Price":	meaning the total price specified in the Purchase order for the manufacturing and delivery of the Product to the agreed location, in accordance with the Contract.
"Delivery Date":	meaning the date for delivery of the Product as described in the Contract or as varied pursuant to Article 12.1.
"Force Majeure"	meaning an occurrence that prevents fulfilment of the Contract beyond the control of the party affected such as; war, riots, strikes and lockouts, extraordinary weather conditions, cut in public power supply or any other circumstances of similar character and importance.
"Manufacturing Plan":	meaning a plan, acceptable to Buyer, demonstrating how Supplier will achieve timely completion.
"Final Compensation":	meaning the total amount payable to the Supplier pursuant to the Contract, such amount having been increased or decreased in accordance with the conditions of the Contract.

2 CONTRACT DOCUMENTS, INTERPRETATION

Unless otherwise agreed, the Contract consists of the Purchase order and/or Contract document and the following documents, which in case of conflict shall be given priority in the following order:

- Special conditions
- Ethical guidelines for suppliers (available at <http://www.statnett.no>).
- Technical specifications and requirements
- General conditions of contract (this document)

If Supplier's tender contains reservations and deviations from Buyer's tender documents, such deviations do only apply if and to the extent they have been included in the Contract.

3 DELIVERY

- 3.1 Delivery is completed when the Product has been received for Buyer's approval at the agreed location, and the Buyer does not rightfully reject delivery pursuant to Article 3.3.

- 3.2 The terms of delivery shall be DDP, in accordance with "Incoterms 2020" published by the International Chamber of Commerce, unless otherwise agreed in the Purchase order.
- 3.3 If Buyer rightfully rejects delivery of the Product due to extensive or substantial defects, delivery shall not be deemed to have taken place. This also applies if Buyer rightfully rejects part of the delivery.
- 3.4 Buyer may reject delivery before agreed Delivery Date.
- 3.5 If Buyer understands or anticipates that Buyer will be unable to receive the Product at the Delivery Date, Buyer shall immediately notify Supplier in writing giving a reason for the situation.

Even if Buyer cannot receive the Product or part thereof at the Delivery Date, Buyer shall pay 80 % of the Contract Price for the Product or the part thereof as if this had been delivered at Delivery Date. Supplier shall, after agreement between the parties, be responsible for storing the Product at Buyer's account. Buyer shall pay any documented additional costs incurred by Supplier resulting from Buyer's inability to receive the Product. A new Delivery Date shall be agreed in writing. The withheld amount shall be paid to the Supplier when delivery is completed.

- 3.6 The risk for the Product is transferred to Buyer when delivery is completed.

4 FORCE MAJEURE

- 4.1 The Parties are entitled to extension of time if the progress is hindered by Force Majeure. This only applies if and to the extent Supplier could not reasonably have foreseen such occurrence at the time entering into the Contract and could not reasonably have avoided or overcome such occurrence or its consequences.
- 4.2 The party who will invoke Force Majeure, shall without undue delay notify the other party in writing of the Force Majeure occurrence, the assumed duration and any measures that will be implemented to limit the delay.
- 4.3 In case of Force Majeure, each of the parties shall cover their own costs due to the Force Majeure occurrence.

5 TITLE TO THE PRODUCT

Title to the Product shall pass to the Buyer progressively and unconditionally upon payment or delivery of the Product, whichever comes first.

6 MARKING OF PRODUCTS

All finished manufactured Products or part thereof, including materials, components and equipment to be used for manufacturing of the Product, and for which Buyer has paid prior to delivery, shall be specifically marked with name of Buyer, and be kept separate from other products.

7 PROGRESS REPORTING

- 7.1 If demanded by Buyer, Supplier shall deliver a Manufacturing Plan. The Manufacturing Plan shall include all relevant activities and milestones such as milestone for engineering completed, receipt of materials, manufacturing, inspection, testing, documentation, and transportation.

All significant deviations from the Manufacturing Plan shall immediately be notified to Buyer in writing. The same applies if Supplier understands or anticipates that manufacturing and delivery will be delayed. The notice shall specify the reason for the delay, the anticipated duration and the measures to be taken to avoid or overcome the delay.

- 7.2 Supplier shall, in a form acceptable to Buyer provide monthly progress reports. The progress reports shall demonstrate Supplier's adherence to the Manufacturing Plan, and the actual progress.

8 INSURANCE

Supplier shall at its own cost provide and maintain a liability insurance adapted to Supplier's operations. The insurance shall cover loss and damage on personnel and goods for a minimum amount of 150 G for each damage incident, unless otherwise agreed.

Upon written request from Buyer, Supplier shall produce insurance certificate which documents valid insurance during the contract period.

9 SUB-SUPPLIERS

Before entering into a contract with sub-suppliers, Supplier shall notify Buyer in writing of the parts of the Product to be manufactured by sub-suppliers as well as the name of the sub-supplier. Buyer may refuse to accept the sub-supplier if the refusal is justifiable. Purchase of merchandise or branded goods are not sub-supplies in this respect, nor are purchase of standard parts and components.

10 SUPPLIER'S PERFORMANCE

10.1 Supplier shall perform the manufacturing and delivery of the Product

- (i) in a professional, diligent and careful manner and in accordance with the Contract's technical specifications and other contractual requirements, and
- (ii) in accordance with Supplier's quality management system, unless otherwise required by the Contract documents, and
- (iii) in compliance with all applicable laws and regulations pertaining to the manufacturing and delivery of the Product, and
- (iv) in a safe and secure manner with regards to and in compliance with all of Supplier's national health, environmental and safety laws, regulations, and instructions.

10.2 Supplier shall prior to startup examine Buyer's documents and notify Buyer in writing in case of any errors, discrepancies and deficiencies.

10.3 Supplier shall prior to delivery, in writing notify Buyer confirming that internal control has been carried out and that the Product is in compliance with the Contractual requirements.

10.4 If required in the Contract and/or accompanying documents, Supplier shall prepare and submit to Buyer for review an inspection and test plan (ITP) on basis of the technical specifications included in the Contract. The ITP shall document how Supplier will apply quality control in the execution of the Contract and shall include dates for execution of these activities.

10.5 If an activity, which is to be witnessed by Buyer and/or Buyer's representative is delayed or postponed by Supplier, Buyer shall be notified as soon as possible with an explanation for the delay, and the new date for the activity shall be advised.

10.6 Supplier shall at the latest upon delivery submit appropriate and adequate documentation for Buyer's assembly, energizing, operation and maintenance (including repair) of the Product and all parts of the Product. Nevertheless, Supplier is not obliged to submit documentation regarding the manufacturing of the Product.

Unless otherwise agreed, the documentation must be submitted in both electronic format and in one set of paper copy in Norwegian or English.

11 BUYER'S QUALITY ASSURANCE AND AUDIT RIGHTS

11.1 Buyer or Buyer's appointed third party may carry out inspections and audits related to the manufacture of the Product to the extent Buyer finds necessary. Buyer shall notify Supplier in writing at the latest 14 days in advance. If there are reasons to believe that Supplier is in serious breach of contract, audits may take place without prior notice. Supplier shall ensure Buyer the same rights in all subcontracts. Each party shall cover its own costs related to the audits and inspections.

11.2 Supplier shall ensure Buyer's inspectors reasonable working conditions and proper assistance during the quality control, inspection and audits.

11.3 If the inspected Product or part thereof, does not comply with the requirements stipulated in the Contract, Supplier shall, at his own account rectify the Product. Material, which cannot be rectified, improved or repaired, shall be replaced.

11.4 Buyer's inspections and audits acceptance does not exempt Supplier from his obligations under the Contract. Correspondingly, Supplier will not be exempted from any obligation if Buyer does not perform an inspection or audit.

11.5 Buyer has the right to perform additional third-party testing of manufactured materials or the Product. The technical specifications may include details of such testing.

If test results verify non-compliance with technical specifications, Supplier shall pay the costs of such third-party testing. Otherwise, Buyer shall be liable for such costs.

- 11.6 Supplier undertakes to send Buyer drawings, specifications, standards and other basic documentation for tag identification of items that form part of the Contract etc.

12 VARIATIONS

- 12.1 Buyer has the right to order variations of the Product within Supplier's technical competence and the agreed scope of work.

To the extent such variations are appropriate, the variations may involve increases and decreases in the scope of the work as well as variations to the time schedule.

- 12.2 If a variation would entail an adjustment in the Contract Price or an agreed maximum cost and Delivery Date, Supplier shall notify Buyer in writing of this within 14 days after having received the variation. Within a deadline stipulated by the parties, Supplier shall submit a detailed and documented adjustment proposal.
- 12.3 Supplier may propose alterations to drawings, constructions or specifications of the Product if such alterations are deemed economically and/or technically beneficial to Buyer. Supplier may also propose variations to listed spare parts already approved.
- 12.4 No variation required by Buyer pursuant to Article 12.1 or proposed by Supplier pursuant to Article 12.3 shall be implemented before a written variation order is issued. The variation order shall stipulate all consequences that the variation entails regarding price and time of delivery.
- 12.5 Deviations in quantities which are stated in the Contract, do not represent a variation insofar the deviations in quantities does not significantly exceed the amount Supplier ought to have taken into consideration when the Contract was entered into.
- 12.6 If the Contract or related Contract documents, does not contain prices applicable to a specific variation, the adjustment of the variation shall reflect the general price level prescribed in the Contract.

13 PRICE ADJUSTMENT, INVOICING AND PAYMENT

- 13.1 Supplier is only entitled to price adjustments for increase in wages, prices, social charges etc. if explicitly stipulated in Special conditions.
- 13.2 If a price adjustment has been agreed, and the required statistics have not been issued by the delivery date, a preliminary payment shall be made based on the previous index. The Final Compensation shall be adjusted when the index is publicly announced.
- 13.3 Supplier shall issue invoices according to the requirements of the Contract when delivery is completed, unless otherwise agreed. The invoices shall be submitted electronically in accordance with the requirements specified in <http://www.statnett.no>.
- 13.4 Payment shall be made against correct invoice 30 days after receipt of the invoice.
- 13.5 In case of overdue payment, Buyer shall pay interest pursuant to Act of 17. December 1976 no 100 relating to interest on overdue payments (Forsinkelsesrenteloven).
- 13.6 Supplier may not assign invoices to a third party without Buyer's written approval.

14 PATENTS AND INTELLECTUAL PROPERTY RIGHTS

- 14.1 Supplier is not entitled to any payment for patents or other intellectual property rights used to manufacture the Product unless otherwise agreed.
- 14.2 Supplier shall indemnify Buyer against claims resulting from any infringement of Norwegian patents and other intellectual property rights in connection with the manufacture or use of the Product. Buyer shall indemnify Supplier against claims for compensation related to the use of Buyer's drawings, specifications or licenses. The parties shall mutually notify one another in writing of claims concerning infringement of Norwegian patents or other intellectual property rights relating to the manufacturing or use of the Product.
- 14.3 If some parts of the delivery under the Contract are security protected, Supplier may not apply for patent registration without Buyer's prior written approval.
- 14.4 Unless otherwise agreed, Buyer is not entitled to inventions, patents or other intellectual property rights and subsequent development or improvement of these.

- 14.5 Buyer shall have an irrevocable, royalty-free, non-exclusive right to use drawings and documentation to the extent necessary in connection with the operation, repair, modification, expansion, reconstruction and maintenance of the Product. This does not apply if inventions, patents or other intellectual property rights mainly are based on drawing, documents and data programs provided by Buyer.

15 CONFIDENTIALITY

Confidential information regarding the manufacturing of the Product, shall be protected, and only revealed to third parties when necessary for manufacture, inspection or delivery. Supplier undertakes to include corresponding provisions in his sub-contracts.

16 INFORMATION TO MEDIA AND ADVERTISING

- 16.1 Supplier shall not divulge information relating to the Contract without Buyer's written approval.
- 16.2 Supplier has to obtain Buyer's written approval in advance if Supplier for advertising purposes wishes to inform the public about the Contract. Supplier undertakes to include corresponding provisions in his sub-contracts.
- 16.3 In case the Contract comprises sensitive power information, Supplier shall sign a security- and a non-disclosure declaration for personnel who might get access to such information. The same applies for sub-suppliers.

17 SUPPLIER'S DELAY – LIQUIDATED DAMAGES

- 17.1 If the delivery entirely or a part thereof is delayed, and the delay is not caused by Buyer or Force Majeure, Buyer is entitled to liquidated damages.
- The liquidated damages shall be 0,15% of Contract Price for each calendar day when exceeding the Delivery Date, but minimum NOK 2.000 per day. The liquidated damages shall in total be limited to 15 % of the Contract price, except in cases of Supplier's intent or gross negligence.
- 17.2 Liquidated damages for infringement of Ethical Guidelines for Suppliers will be supplementary to the penalty according to 17.1.
- 17.3 Buyer may not claim damages instead of liquidated damages unless the delay is due to intent or gross negligence from the side of Supplier.

18 LIABILITY FOR DEFECTS

- 18.1 The Product has a defect if it does not comply with the requirements of the Contract at the Delivery Date, and this is not due to circumstances for which the Buyer is liable or Force Majeure.
- 18.2 Supplier shall at his own cost, rectify all defects, and deliver replacement of defective parts within reasonable time after having received written notification. Supplier shall also cover costs for establishing the defect and other costs being a direct and necessary result of rectifying the defect.
- 18.3 If Supplier is unable to rectify a defect, Buyer may claim a proportional reduction in price.
- Buyer may claim compensation for direct losses suffered as a result of a defect which is due to Supplier's negligence. If a defect has caused Buyer to suffer losses which are not covered by the articles above, Buyer may claim compensation for these if the defect is a caused by Supplier's intent or gross negligence.
- 18.4 Unless otherwise agreed, Supplier's liability for defects shall remain in force for 60 months after delivery pursuant to Article 3.1, (the Warranty Period).
- 18.5 For those parts of the Product that have been rectified, a new 60-month Warranty Period starts from the completion of the rectifying work on the whole Product or the parts in question. The total Warranty Period shall however not exceed more than one year beyond the initial 60-month Warranty period.

19 TERMINATION DUE TO DEFAULT

- 19.1 Buyer is entitled to terminate the Contract for the entire or any part of the Product if Supplier is in substantial breach of the Contract, or if it becomes clear that that a substantial breach will occur. Nonetheless, Buyer is not entitled to terminate if Supplier without undue delay after written notification from Buyer demonstrates that the delivery will take place and the Product will be completed in accordance with the Contract.

If Buyer pursuant to Article 3.5 is entitled to the maximum liquidated damages, Buyer shall give Supplier a reasonable deadline for delivery. If Supplier fails to deliver within the new deadline, Buyer may terminate the Contract for the entire or such parts of the Product which cannot be taken into use as planned. Buyer may claim compensation for the direct loss suffered.

- 19.2 Supplier shall complete the manufacturing of the part of the Contract not terminated by Buyer.
- 19.3 Buyer shall in case of termination be entitled to return parts of the Product, which is not terminated, and to reclaim all corresponding payments. In addition, Buyer shall be entitled to compensation for the documented direct costs, hereunder any re-procurement costs resulting from the termination, subject to the limitation of liability in Article 22.
- 19.4 Supplier shall be entitled to terminate the Contract if Buyer is in substantial breach of the Contract, or if it becomes clear that that a substantial breach will occur. Nonetheless, the Supplier is not entitled to terminate if Buyer without undue delay after written notification from Supplier provides satisfactory security for the timely payment of the remaining part of Buyer's obligations.

20 TEMPORARY SUSPENSION

- 20.1 Buyer may suspend the manufacturing of the Product or part thereof by written notification to Supplier. Supplier shall, without undue delay inform Buyer of the anticipated impact of the suspension of the manufacturing.
- Supplier shall resume manufacturing and delivery of the Product immediately after written notification by Buyer.
- 20.2 Supplier is entitled to compensation for reasonable and documented costs in connection with demobilization and mobilization, which are direct consequences of the suspension of the manufacturing. Moreover, Supplier shall be entitled to extension of time if progress is hindered if Buyer temporarily suspends manufacturing.
- 20.3 Buyer may claim that Supplier accelerate the manufacturing in order to maintain the agreed Delivery Dates.

21 CANCELLATION

- 21.1 Buyer is entitled to cancel the Contract fully or in part by written notification to Supplier. Such cancellation shall stipulate cancellation date and Supplier's responsibilities in connection with the cancellation. Buyer shall pay for the work performed and compensate for documented losses related to the cancelled part of the Contract. The parties shall agree whether non-delivered parts of the Product shall be handed over to Buyer or be kept by Supplier.
- 21.2 If Supplier fails to implement reasonable cost reducing measures related to the cancellation, the Final Compensation shall be reduced correspondingly.

22 LIMITATION OF LIABILITY

Supplier's total liability under the Contract is limited to 100 % of the Contract Price.

None of the parties can claim compensation for indirect losses from the other party. Indirect losses according to these provisions include, but are not limited to loss of revenue, loss of profit and loss of production.

However, the limitations of liability do not apply in the event of intent or gross negligence from the side of Supplier or sub-supplier.

23 BANK GUARANTEE

- 23.1 Supplier shall provide a bank guarantee for the correct performance of the contract if stated in the Contract.
- 23.2 If advance payments have been agreed, Supplier shall, at no additional cost, within 30 days following written request from Buyer provide a bank guarantee for an amount corresponding to the advance payment.
- 23.3 Bank guarantees shall be issued by a bank or other financial institution acceptable to Buyer.

24 TRANSFER OF THE CONTRACT

Buyer may transfer the Contract to a third party (Contractor) who has a construction or fabrication contract with Buyer. A separate transfer agreement between the parties, including the Contractor, shall be issued.

Supplier may refuse to accept a transfer to Contractor if the refusal is justifiable. Upon written request, Buyer shall ensure that Supplier receives information of the Contractor's finances, financial position and capacity which is necessary for Supplier's ability to exercise its right of refusal.

If Supplier will refuse to accept transfer of the Contract, Supplier shall notify Buyer in writing at the latest 14 days after receiving Buyer's written request, or after receiving information related to the Contractor, if such information has been received later. If Buyer do not receive objections within the deadline, the transfer becomes effective from expiry of the deadline for Supplier's objections.

If the Contract with Supplier is transferred to a Contractor, the contractual relationship between Supplier and Buyer is terminated while a new contractual relationship is established between Supplier and Contractor. Supplier then becomes sub-supplier to the Contractor. All bank guarantee issued by Supplier to Buyer shall be terminated and a new guarantee shall be issued to Contractor.

25 ETHICAL GUIDELINES FOR SUPPLIERS

Ethical guidelines for suppliers are available at <http://www.statnett.no>.

Ethical guidelines for suppliers form part of the Contract. Any breach of the provisions in the guidelines is subject to sanctions according to the specific provisions in the guidelines. These sanctions supplement other provisions of the Contract and apply independently of these general conditions of contract for purchase of Products.

The daily penalties in the guidelines shall be calculated based on the Contract Price.

Supplier acknowledges to have read and understood the Ethical guidelines for suppliers.

26 BUSINESS LANGUAGE

If not otherwise agreed, the business language shall be Norwegian or English. This means that all contractual documentation as well as written communication between the parties shall be in Norwegian or the English language.

27 DISPUTES

The contract shall be governed by and interpreted in accordance with Norwegian law.

The parties shall try to settle any disputes arising from the contractual relationship amicably. If such negotiations fail, the matter shall be settled by court proceedings. Oslo City court is legal venue unless the parties agree otherwise.