

GENERAL PURCHASING CONDITIONS FOR OPTIMARIN AS

DEFINITIONS

Purchase Agreement means these General Purchasing Conditions, the Purchase Order Form and other documentation referred to in the Purchase Order Form. Any other terms, whether attached to Supplier's acceptance of the P.O. or otherwise, shall not be applicable. Supplier's performance of the supply shall be deemed acceptance of these terms.

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

Supplier means the Company stated on the Purchase Order Form.

Purchaser means OptiMarin AS.

Price means the total amount payable to the Supplier in accordance with the provision of this Purchase Agreement.

Force Majeure means an occurrence beyond control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time acting into the Purchase Agreement or could not reasonably have avoided or overcome the consequences.

ACKNOWLEDGEMENT OF ORDER

The Supplier must acknowledge the order within 7 days after receipt. Failure to do so gives the Purchaser the option of cancelling the order. The Supplier's acceptance of the order implies unconditional agreement to these general conditions, and Supplier agrees that such terms and conditions shall not be modified by any terms and conditions contained in any delivery order, acknowledgement, invoice or other business form used by Supplier issued before, during or after this Order notwithstanding Purchaser's signature of the same.

QUALITY ASSURANCE

The Supplier shall have an established and implemented Quality System in accordance with NS-EN ISO 9001/9002/9003 or equivalent, depending on the nature of the Supply. Purchaser or its representative shall have the right to undertake quality audits and verifications of Supplier's or any subcontractor's quality system. The Supplier shall examine the different parts of the Purchase Agreement, and shall without unnecessary delay notify Purchaser in writing of faults, omissions or inconsistencies discovered.

INSPECTION/VERIFICATION

Purchaser or its representative shall have the right to undertake necessary inspections and verifications of the Supply at the Supplier's premises and/or any of his subcontractor's premises. The abovementioned inspections and verifications do not exempt the Supplier from the responsibility to deliver the Supply in accordance with the Purchase Agreement, nor shall it preclude subsequent rejection, which right is reserved by Purchaser for any failure of the Supplier to comply with the P.O. and all specifications.

DELAY

If the Supplier has reason to believe that the Supply or any part of it may be delayed, he shall immediately notify Purchaser in writing. The Supplier shall in such notice give the Purchaser information of the reason and extent of the delay together with the efforts the Supplier will make in order to avoid, limit or recover the delay.

VARIATIONS

Purchaser has the right to order variations to the Supply. Such variations may include an increase or reduction in the quantity, character, quality, kind, features and characteristics of the Supply or part thereof and adjustments to the schedule. Such variations shall be reasonable with respect to the capacity available and shall not be in conflict with the Supplier's obligations in accordance with the Purchase Agreement. If the variation should cause a change in the extent or the time for the completion of the Supply, the price and schedule shall be changed accordingly, and a document called Variation Order showing all necessary details shall be issued and signed by both parties. If Supplier believes a variation is made to the supply, and a Variation Order has not been issued by the Purchaser, Supplier must give written notice to Purchaser within five (5) days of the date Supplier believes the variation was ordered. The Supplier shall not commence the variation work until an order in writing is received from the Purchaser.

TYPE APPROVED EQUIPMENT

No changes must be done to equipment included in the Type Approved OptiMarin Ballast System without prior acceptance from Purchaser.

MARKING AND PACKING

Each part shall be marked only with a number with a list provided describing the numbered items, which list shall include a description as follows: Information concerning dimensions and quality of material; Manufacturer's name and Part Number; Certificate Number (when certificate is required or available); Identification Number containing Project Number in accordance with the Purchase Order. (Example: 960011-01, 960011-02 etc.). No other markings or labels shall be attached to the goods ordered. Each shipment shall be addressed as shown in the Purchase Order, and packing marked with: Purchase Order Number, Number of the package and total number in the shipment (e.g. 1 of 3); All crates and packages shall be packed and preserved for transport in a manner that will prevent damage and deterioration during handling and transportation.

All documents shall be properly marked with the Purchase Order Number and the Identification Number the documents refers to. Originals shall be mailed separately and one (1) copy shall follow the shipment in a separate envelope. All documents shall be of a quality that will permit microfilming. One (1) complete Packing List shall be forwarded prior to shipment and one (1) copy shall follow the shipment. Customs documents on international shipments, forwarded with the Carrier, shall contain: Two (2) copies of the invoice; one (1) copy of the Packing List; European Movement Certificate (EUR.1) for transportation of goods between EEC and EFTA; Procedures for handling, storage and preservations shall be forwarded to the Purchaser in due time to prevent any damage to the Supply.

DELIVERY

Terms of delivery shall be in accordance with Incoterms 2010. Delivery shall be Incoterms FCA 2010 unless otherwise stated in writing in the P.O. When a Supply is ready for shipment, the Supplier shall report weight, dimension and number of packages to the Purchaser. Unless instructed otherwise by Purchaser, Supplier shall ship individual items of the Supply as they are completed.

GUARANTEES

The Supplier guarantees that the Supply is in accordance with specified requirements and are suitable for the intended purpose and use. Unless otherwise stated in the Purchase Agreement, the guarantee period for the Supply expires two years from the date the Supply is taken into use, limited to three years from the date of delivery. If the Supplier has performed guarantee work during the guarantee period, the Supplier shall guarantee this work for a period of one year from the date of completion of the guarantee work.

INVOICING AND PAYMENT

Unless otherwise agreed, the Supplier shall invoice Purchaser following delivery of the Supply, and the Purchaser shall pay accepted invoices within 45 days of receipt or within the period stated in the purchase order. The terms of the payment period shall be determined from the date the invoice is received by Purchaser. All invoices must contain a reference to OptiMarin's Purchase Order Number. Invoices which do not conform to these terms or to the specifications of the P.A., or which do not refer to a OptiMarin Purchase Order Number are not valid and will be returned.

FORCE MAJEURE

The party affected by Force Majeure shall as soon as possible, but not later than three (3) working days after occurrence of such a situation, notify the other party in writing that a Force Majeure situation has occurred. If a Force Majeure situation continues without interruption for a period of 10 days, or more, each of the parties shall be entitled to terminate the Purchase Agreement by notifying the other party in writing.

LIQUIDATED DAMAGES

Time is of the essence. If the Supply is delayed, the Purchaser may terminate the order. In that event Supplier shall immediately ship all completed items, for which, if accepted by Purchaser, Supplier shall receive payment. No sums shall be due to Supplier for non-delivered items. Should Purchaser agree to accept any late delivery, Purchaser may deduct from payment, or Supplier shall pay back to Purchaser, damages for such accepted late items. The damages are agreed to be 0.5% of the Price per calendar day, not to exceed 10% of the Price in the aggregate.

TERMINATION OF THE PURCHASE AGREEMENT

Purchaser has the right to terminate this Purchase Agreement at any time with immediate effect by giving written notice to the Supplier. Purchaser may also at its sole option, terminate this Purchase Agreement if the Supplier becomes insolvent and/or if there is any breach of the Purchase Agreement by the Supplier, or if Purchaser has reason to believe Supplier will be in breach of the terms of the P.A. Neither of the parties shall have the right to make claim against the other party due to consequential losses caused by the termination of the Purchase Agreement, unless due to non-conformance of the Supply to the terms of the P.A. In such event no sums shall be due by Purchaser to Supplier, and Supplier shall have the right to procure the Supply from a third party and charge Supplier with any increase in cost to Purchaser.

CANCELLATION

Purchaser has the right to cancel the Supply at any time by giving written notice to the Supplier. In the event of such cancellation, Supplier shall cancel all sub-contracts and Purchaser shall pay for delivered, accepted Goods, and otherwise only necessary documented direct costs incurred by the Supplier in connection with the cancellation.

PATENTS

The Supplier is responsible for and shall defend, indemnify and hold Purchaser harmless from and against any claims, damages, losses, expenses and the like on the account of any infringement of Patent, Registered Design, Trade Mark etc. in conjunction with Seller's obligations here, in providing the Goods, or in the Goods, and the Purchaser's use of same.

DISPUTES

This Purchase Agreement shall be governed by and construed in accordance with Norwegian law. Any disputes arising out of or in connection with the Purchase Agreement which cannot be solved out of court, shall be solved by arbitration. Any court proceeding will be brought before Stavanger City Court.

CONFIDENTIALITY

All drawings, calculations and other information which the Supplier may receive from the Purchaser for the purpose of carrying out the work are proprietary to Purchaser and shall be treated by the Supplier as trade secret and may not be used for any other purpose, duplicated or made available to a third party. The Supplier is liable for any inconvenience and loss suffered by the Purchaser by such and infringement. The Supplier, if so requested, shall immediately return all such material together with all copies and duplicates.

INDEMNITY

The Supplier agrees to Indemnify and to hold Purchaser, its agents, employees, officers, subsidiaries, associated companies and assigns harmless from and against any all liability, damage, loss, cost or expense, including without limitation any liability arising from any injury or loss to any person or persons or any damage to or loss of any property, directly or indirectly arising out of or in connection with:

- (i) any act or omission in the performance of or in connection with any or all of the obligations undertaken by the Supplier pursuant to the P.A., whether by reason of the negligence of the Supplier, its agents, employees or sub-contractors or their agents or employees, or otherwise; or
- (ii) any alleged fault or defect howsoever arising in the work or supply (whether in materials, workmanship or otherwise);

except to the extent that any such liability was only incurred because the Supplier delivered the work solely in accordance with designs, plans or specifications supplied by Purchaser.

TAXES

Seller shall be exclusively liable for all income, sales, use, payroll and other taxes, customs, excise and import duties and other fees, levies and charges incurred by Seller or its subcontractors and sub-vendors and its or their employees directly or indirectly imposed by or payable to any government (including any department, agency or subdivision thereof) with respect to the Purchase Order and the sale and delivery of the Goods. Seller shall indemnify and hold Buyer harmless from any expense, claim, liability or obligation with respect to such amounts. This indemnity shall survive the termination or expiration of the Purchase Order.

SUBCONTRACTS AND OTHER DATA

Seller shall not subcontract or assign any or all of its rights or obligations hereunder without Purchaser's prior written consent, which consent may be withheld at Purchaser's discretion. An attempted subcontract or assignment not in compliance with this provision shall be void.

Seller shall without additional cost to Purchaser supply all drawings, specifications or other technical data and manuals, related to the Goods or their use, which shall become the property of Purchaser, the acceptance of which shall not relieve Seller of its liability or obligation for the accuracy or otherwise hereunder.