

GENERAL CONDITIONS FOR PROCUREMENT OF PRODUCTS

1 DEFINITIONS

1.1 Contract shall mean the separate contract document such as a purchase order, contracts etc, and these General conditions for procurement of Products and any appendices listed in the separate contract document.

Buyer shall mean Mento AS or Mento Service AS stated as such in the purchase order.

Products shall mean all goods to be supplied by Seller pursuant to the Contract.

Seller means Contractor, his Affiliated Companies, his subcontractors and their contractors and subcontractors and employees of the aforementioned entities, all to the extent they participate in the performance of the Procurement.

In the event of any conflict between the provisions of the Contract, the various contract documents shall be given priority in the following order:

- the separate contract document
- these General conditions for procurement of Products
- all appendices in the order they are listed in the separate contract document

1.2 Each party shall appoint a representative with authority to act on its behalf in all matters concerning the Contract. All notices, claims, etc. which the Contract requires to be presented in writing, shall be sent by letter, fax or confirmed electronic mail to the other party's appointed representative.

2 GENERAL OBLIGATIONS OF SELLER

Seller shall Supply and deliver the Goods and provide the Services in accordance with the applicable laws and regulations;

- In accordance with the Contract and all Buyer instructions
- Free from defects and from any rights of third parties
- Fit for any particular purpose specified in the Contract or, in absence thereof fit for the purposes for which such Goods and/or Services would ordinarily be used.

2.1 Seller shall deliver the Products in compliance with applicable laws and regulations. Seller shall obtain and maintain all official permits necessary to supply the Products, and shall whenever requested by Buyer produce documentation showing that necessary permits have been obtained.

2.2 Seller shall not subcontract any part of the work related to the deliverance of the Products without Buyer's written consent. Such consent shall not relieve Seller of any of his obligations under the Contract.

2.3 Seller shall have an implemented and documented quality system, hereunder systems that fulfil Buyer's standard requirements relating to the control and monitoring of safety, occupational health and working environment issues, and procedures, including management control systems, to prevent Seller's employees, personnel, agents and/or Sellers from doing or omitting anything which could be considered a breach of contract. Buyer is at any time entitled to carry out, and Seller shall assist in carrying out, audits at Seller's or any subcontractors' premises.

2.4 Seller shall mark the goods with purchase order number, article nr, description of product, volume and / or weight, number of packages and labelling, customer / recipient's name, address and telephone, shipping address, name and address of the sender, "dangerous goods documents" where it is required, on the packing slip.

3 PROGRESS

If Seller should have cause to believe that he will be unable to deliver the Products in accordance with the contract schedule, they shall immediately notify Buyer in writing stating the reason for the delay, the effect on the contract schedule and furthermore include a proposal on how the delay can be minimized. Seller shall bear own costs incurred to minimize the delay unless the delay is caused by Buyer. Seller is liable for losses suffered by Buyer which could have been avoided if Seller had given notice of the delay in due time. All information shall be sent to expediting@mento.no.

4 VARIATIONS AND CANCELLATION

4.1 Variations

Buyer has the right to order such variations to the Procurement as in Buyer's opinion is desirable. Variations to the Procurement may include an increase or decrease in the quantity, or a change in character, quality, kind or execution of the Procurement or any part thereof, as well as changes to the contract schedule. Nevertheless, Buyer has no right to order variations to the Procurement which cumulatively exceeds that which the parties could reasonably have expected when the Contract was entered into.

4.2 Cancellation

Buyer may cancel the Procurement or parts thereof with immediate effect, by written notification to Seller.

Following cancellation Buyer shall only be liable to pay the unpaid balance due to Seller for that part of the Procurement already performed, and cover documented and necessary expenses incurred as a direct result of the cancellation.

5 PAYMENT

5.1 Unless otherwise agreed, payment shall be made within 60 days after receipt of a correct invoice.

5.2 All financial settlements, billings and reports rendered to Buyer shall reflect properly the facts about all activities and transactions handled for the account of Buyer. The data may be relied upon as being complete and accurate in any further recordings and reporting made by Buyer or its representatives for whatever purpose.

5.3 The purchase order number and other agreed references shall be quoted on all invoices which shall also clearly indicate what the invoiced amount relates to. Buyer is entitled to return invoices that do not meet these requirements.

5.4 Buyer is entitled to deduct any prepayments and accrued liquidated damages against Seller's invoices. Furthermore, any disputed or insufficiently documented amounts, as well as any amounts owed by Seller to Buyer may be set-off against Seller's invoices

5.5 Failure to provide documentation evidencing that payment of tax and other levies have been paid in accordance with law, entitles Buyer to withhold payment until Seller either produces such documentation, or provides satisfactory security for payment of such taxes and levies. Buyer may recover from Seller at any time any liability incurred by Buyer as a consequence of any failure of Seller to pay the required taxes and levies.

5.6 Invoice shall be sent to invoice@mento.no according to Article 5.3

6 BREACH OF CONTRACT

6.1 Delay

Delay exists when Seller fails to comply with the time limits stated in the Contract, unless the delay is caused by Buyer.

If Seller's Products has such defects that Buyer's intended purpose with the Products is substantially unsuccessful, this shall be considered as delay.

Unless otherwise agreed, liquidated damages shall accrue at a rate of 0.3% of the total contract price per day by which the delivery of Products or part thereof is delayed. Liquidated damages shall, however, not exceed 15% of the total contract price.

If the delay is caused by gross negligence or willful misconduct on the part of Seller or someone for whom they are responsible, Buyer may, instead of the liquidated damages claim compensation for the losses suffered due to the delay.

Buyer may terminate the Contract if the maximum of liquidated damages have incurred or the delay constitutes a substantial breach of Contract.

6.2 Defects

Seller is liable for any defect in the Products pursuant to Article 6.3. Buyer shall issue a written notice of defect within reasonable time following discovery of any defect, and in no event later than 24 months after Buyer has accepted the delivery as complete.

6.3 Liability for defects

When Buyer notifies Seller of a defect, Seller shall commence rectification of the defect without delay. The rectification work shall be postponed upon Buyer's request provided that Buyer has a justified reason for requiring such postponement. Rectification work shall be performed for Seller's account.

If Seller fails to remedy the defect within reasonable time, Buyer is entitled to remedy the defect himself or employ a third party to do so for Seller's risk and account, or to reduce the contract price accordingly. The same shall apply if awaiting Seller's remedy will cause substantial inconvenience to Buyer. In such event, Seller shall be notified in writing prior to initiating of the rectification work. Buyer is entitled to claim compensation for losses suffered due to defects.

Buyer may terminate the Contract if a defect constitutes a substantial breach of Contract. In such event, Buyer is entitled to reject Seller's offer to remedy the defect.

7 FORCE MAJEURE

7.1 Force majeure means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the Contract and could not reasonably have avoided it or overcome its consequences.

7.2 A party shall not be considered in breach of the Contract to the extent it is proven that he was unable to fulfil his contractual obligations due to force majeure. Each party shall cover its own costs resulting from force majeure.

7.3 The party invoking force majeure shall notify the other party thereof without undue delay. Such notice shall also include the cause of the delay and the presumed duration thereof.

7.4 Each party is entitled to cancel the Contract if the force majeure

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situation continues, or it is obvious that it will continue, for more than 60 days.

8 INDEMNIFICATION

8.1 Seller shall indemnify Buyer from and against any claim concerning:

- (a) personal injury to or loss of life of any employee of Seller
- (b) loss of or damage to any property of Seller, which may arise in connection with the delivery of Products.

This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of Buyer. Seller shall, as far as practical, ensure that other entities in Seller waive their right to make any claim against Buyer when such claims are covered by Seller's obligation to indemnify pursuant to the provisions of this Article 8.1.

8.2 Buyer shall indemnify Seller from and against any claim concerning:

- (a) personal injury to or loss of life of any employee of Buyer,
- (b) loss of or damage to any property of Buyer , which may arise in connection with the delivery of Products. This applies regardless of any form of liability whether strict or by negligence, in whatever form, on the part of Seller.

8.3 A party shall promptly notify the other party if it receives a claim that the other party is obliged to indemnify. Whenever possible, the other party shall take over treatment of the claim. The parties shall give each other information and other assistance needed for handling the claim. Neither party shall, without the consent of the other party, approve of a claim which shall be indemnified, in whole or in part, by the other party.

8.4 Seller shall indemnify Buyer if the performance or result of the Products constitutes an infringement of third party patent rights or other intellectual property rights, except when this is a consequence of Buyer's specifications and Seller did not know or ought to have known that such an infringement would occur.

8.5 Seller shall indemnify and hold Buyer harmless from all other costs and losses arising, directly or indirectly, as a consequence or related to the Products, including but not limited to administration expenses, hereunder costs related to payments and reports to public authorities, capital costs, costs related to possible termination of the agreement together with costs for legal assistance in relation to said claims, regardless of whether or not the claims prove justified.

9 INSURANCE

9.1 Seller shall at his own expense provide and maintain personnel insurance which shall cover losses connected to illness, personal injury or accidental death in Seller company to the extent required by applicable laws or by the provisions, if any, of the Contract. Seller shall procure and maintain at his own expense liability insurance adapted to Seller's operations.

10 INTELLECTUAL PROBERIETY RIGHTS & CONFIDENTIALITY

10.1 Intellectual Proprietary: All commercial and technical information, including but not limited to reports, drawings, specifications and other documents as well as computer programs and models, that are prepared in connection with the delivery of Products, constitute part of the of the procurement.

10.2 Confidentiality: All information exchanged or otherwise transferred between the parties shall be treated as confidential and shall not be disclosed to any third parties without the written consent of the other party.

A party may nevertheless make such information available to third parties provided that the information was already known to that party at the time the information was received, or that the information is or becomes part of public domain other than through a fault of either of the parties, or is rightfully received from a third party without an obligation of confidentiality or it is necessary due to applicable laws and regulations. Without Buyer's written consent, Seller shall not issue any press release or otherwise advertise that this Contract has been entered into.

11 ASSIGNMENT OF THE CONTRACT

Buyer is entitled to assign his rights and obligations pursuant to the Contract, fully or partly, to any third party. Seller may not assign his rights and obligations pursuant to the Contract without Buyer's written consent which shall not be unreasonably withheld.

12 APPLICABLE LAW AND LEGAL VENUE

The Contract shall be governed by and interpreted in accordance with Norwegian law. Any court proceedings shall be brought before Stavanger Tingrett/District court.

13 SIGNATURE

Signed by: _____

Vendor/Seller name: _____

Address: _____

Date: _____

Name: _____

Title: _____

Signature: _____

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