

**SCI's  
GENERAL SALES CONDITIONS FOR  
PRODUCTS AND SUPPORT  
(01.12.2015)**

All sales of Products, including spare parts (hereinafter called Goods), and/or services (hereinafter called Service (-s)) (hereinafter called together or separately Product (-s)) between ShoreConnection (SCI) and the Customer shall be subject to these Conditions. They have precedence over all other documents concerning the Product, including the Customer's purchase conditions if any, unless otherwise agreed in a document signed by the Customer and SCI or accepted in writing by SCI.

#### **1. STANDARD CLAUSES FROM THE EUROPEAN ORGANISATION ORGALIME**

With the exception of the special clauses in these General Sales Conditions, the clauses of the standards ORGALIME S 2012 shall apply. In case of inconsistency between the special clauses and ORGALIME's clauses, the special clauses shall prevail.

#### **2. SPECIAL CLAUSES**

##### **2.1 CONTACT**

Each Party shall appoint a contact that must be fluent in English and in charge of the performance of the contract (supply of Goods and/or Services). In case of change of contact by a Party, the other Party shall be immediately informed. Unless otherwise agreed in writing and unless another person is specifically appointed and accepted by both Parties, the contact shall have all the necessary powers of attorney and any decision made by the contact or any other person above him in the hierarchy of the company shall bind the company whose contact person he/she is.

##### **2.2 OFFER, ORDER CONFIRMATION**

2.2.1 Unless otherwise accepted in writing by SCI an offer presented by SCI is open for order 30 days from the date of the offer. The offer shall not apply to orders received after this time limit.

2.2.2 Only written order confirmation from SCI, or beginning of delivery by SCI, is binding on SCI. Unless the Customer makes objection by e-mail, with acknowledgement of receipt, not later than 7 days after the receipt of the order confirmation and at least 5 working days before shipment, the Customer shall be bound by its contents.

##### **2.3 DELAY OF DELIVERY NOT DUE TO SCI**

2.3.1 In case of delay not due to SCI but due to force majeure or due to the Customer, the Customer's contractors or a customer in the chain of contracts from the Customer to the end user, the price of the contract shall be adjusted in order to cover the additional costs, including the increase of the costs of production of Goods. In case of a dispute on the amount of the increase of the costs of production, the price revision clause drafted by the United Nations Economic Commission for Europe shall apply (ref. supplementary clause ME/188bis/53).

2.3.2 In case of delay of delivery due to the Customer, the Customer's contractors or a customer in the chain of contracts from the Customer to the end user, the Customer shall proceed to pay as if such delay had not occurred.

2.3.3 In case of delay of delivery due to the Customer, the Customer's contractors or a customer in the chain of contracts from the Customer to the end user and in case this results in a claim against SCI, the Customer shall defend, indemnify and hold SCI harmless from such claim.

##### **2.4 PAYMENT**

###### **2.4.1 Late payment**

2.4.1.1 In case of late payment, the Customer shall pay the overdue payment without delay and upon the Supplier's request present an on first demand bank guarantee for the remaining instalments, issued by a bank accepted by SCI or confirmed by Supplier's bank. In the absence of such payment and/or guarantee, the Customer shall pay all the remaining instalments upon request from SCI.

2.4.1.2 In case of late payment, and if the Parties have an agreement on a retention warranty amount or a retention warranty bond, the agreement giving the Customer a right of retention shall automatically be cancelled.

2.4.1.3 In case of late payment, SCI shall have the right to postpone any delivery until payment of the overdue payment and presentation of the bank guarantee for the remaining parts of the payment.

2.4.1.4 In case of late payment, the Customer shall cover the entire costs of debt recovery, including legal costs, in addition to compensation for loss.

###### **2.4.2 The Customer's Insolvency**

2.4.2.1 In case insolvency proceedings are initiated against the Customer or the end user or if insolvency proceedings are not commenced due to insufficient assets, SCI shall have the right to terminate the sales contract unless the Customer presents an on first demand bank guarantee for confirmation by SCI's bank for any overdue payment and remaining parts of the payment issued on behalf of the Customer or any third party. In case of such a termination, the Customer must pay, as in the case of force majeure below, and hold SCI harmless.

2.4.2.2 The same rights and obligations shall apply in case of cancellation of vessel by the Customer's customer or the end user.

#### **2.5 LIABILITY FOR DEFECTS OR DEFECTIVE SERVICES (WARRANTY)**

##### **2.5.1 Warranty**

SCI warrants the Goods for any defect or lack of conformity resulting from faulty design, materials or workmanship in accordance with the standard and special clauses.

##### **2.5.2 Unjustified warranty claim**

2.5.2.1 The Customer has a duty before presenting a warranty claim to examine properly if the claim is covered by SCI's warranty. A warranty claim is unjustified when the claim is not covered by the warranty.

2.5.2.2 In case of repair of the Product, done by SCI or by a third party on behalf of SCI, related to an unjustified warranty claim from the Customer, SCI shall invoice the Customer for the cost of the repair and the Customer must pay.

2.5.2.3 When the Customer asks a customer, in the chain of contracts from the Customer to the end user, to address a warranty claim directly to SCI, without making proper examination in order to see if the claim is covered by SCI's warranty, SCI may invoice the Customer directly for the cost of the repair and the Customer must pay.

2.5.2.4 The invoice shall cover the cost of repair/replacement and all related costs including travelling and living expenses of the persons performing repair/replacement and the labor costs for working time and travel time.

Travel time shall be invoiced at the same rate as for work time. The same shall apply in case of the repair crew's waiting time due to the Customer, a person under the control of the Customer or the end user.

2.5.2.5 In case of unjustified warranty claim, the Customer shall pay the invoice and defend, indemnify and hold SCI harmless from any unjustified claim from a customer in the chain of contracts from the Customer to the end user.

2.5.2.6 If SCI thinks that the claim is unjustified because the defect in question is not covered by the warranty, SCI may ask for advance payment and the work for repair or replacement will not begin before receipt of the advance payment, without any liability for SCI. If the claim is proven justified SCI shall reimburse the Customer for the advance payment.

2.5.2.7 Unless otherwise agreed in writing and in case of repair performed by the Customer or any third party not expressly appointed by SCI, SCI shall have neither responsibility nor liability for the repair, the consequences and the payment for the repair.

##### **2.5.3 Defective parts covered by the warranty and replaced by or for SCI**

Defective parts shall be stocked at the Customer's place at the Customer's expense for inspection by SCI. After a reasonable time, which shall not be less than 30 days, the Customer may request destruction of defective parts. However, the Customer shall not destroy these parts when the Supplier accepts to cover the storage expenses at cost or requests sending them at SCI's expense to SCI's place or any other place designated by SCI. In case of legal proceedings, or risk of such proceedings, the defective parts shall be stocked at the Customer's place and expense as long as it is requested for the proceedings.

##### **2.5.4 Services to be done under the warranty Coverage of additional costs**

Unless otherwise agreed in writing, the Customer shall cover the following costs when the Products must be repaired in a place other than the place of SCI, i.e. Bergen, Norway: travel and living expenses of the persons performing the repair/replacement and travel and waiting time according to SCI's "Rates and Conditions for Service Personnel".

Customer must himself, or through any third party having control over the vessel, position and prepare the vessel for warranty repair by or on behalf of SCI. In case of delay and waiting time for the service personnel the Customer shall cover all additional costs due to the delay, including labor costs for waiting time.

##### **2.5.5 Limitations of liability**

2.5.5.1 SCI is only responsible when he is in charge of the Service and the Service is done by SCI or by service personnel specifically appointed by SCI. SCI has no liability for damages, injury or death due to the Customer's and any other third party's act or passivity, including lack of maintenance, incorrect erection (installation), and faulty repair. SCI has no warranty obligation in case of late or non-payment.

2.5.5.2 SCI shall have no liability for defects, damages or injury and death due to SCI's delivery in conformity with technical requests from the Customer, the end user, a public authority, a supervisory institution or a classification institution.

2.5.5.3 The Customer has a duty to inform in due time SCI of any technical specifications required by the Customer, the end user, a public authority, a supervisory institution or a classification society. In case of breach of this obligation, no claim for lack of conformity with such specifications may be presented by the Customer and the Customer shall defend, indemnify and hold SCI harmless.

2.5.5.4 The Customer shall only use original spare parts i.e. parts provided by SCI. SCI shall have no liability for malfunction, damages, injury, death and/or loss due to use of non-original spare parts or late order of original spare parts. The Customer shall hold SCI harmless in case of use of non-original spare parts and claim or late order of original spare parts. The Customer shall order spare parts in due time for avoiding lack of maintenance unless SCI is in charge of the maintenance because of a specific written agreement. Ordered and delivered spare parts are not returnable.

## 2.6 ADDITIONAL CONDITIONS FOR SERVICES

2.6.1 Services can include special design work and/or special engineering requested by the Customer (*testing, commissioning, maintenance, repair, periodic inspection and/or up-grading*). Services are subject to a specific contract or specific contractual clauses in a sales contract.

2.6.2 Unless otherwise agreed in writing, supply of Services shall be invoiced according to SCI's periodic "Rates and Conditions for Service Personnel" which are applicable at the date of the performance of the Service.

2.6.3 When ordering a Service, the Customer shall provide SCI a clear description of the Service to be performed for sending the right service personnel, deciding of the date and place of performance and ordering special utilities/spare parts when it is necessary. Extra costs, included labor costs, due to unclear or incomplete description shall be covered by the Customer.

2.6.4 The Customer must provide utilities and facilities (electricity, water, premises, machineries, tools etc.) and technical local assistance and interpreters at the place of performance of the Service, unless the local population has a good knowledge of English or a Scandinavian language, for the performance of the Service.

The Customer must provide active assistance for getting all required public authorizations from the immigration authority or any other authority which are necessary for the performance of Services by the service personnel at the place of performance.

The Customer is in charge of providing secure, safe and decent working and living conditions for the service personnel.

In case of breach of these obligations, the Customer shall be liable for the consequences, including costs. The Customer shall defend, indemnify and hold SCI harmless.

2.6.5 Knock for knock: each Party shall be responsible, i.e. indemnify the other Party in case of any claim addressed to the other Party, for damage to the first Party's property and personal injury to or loss of life of any of his employees, irrespectively of the other Party's legal liability.

Each Party shall contract an insurance policy covering such damages, injuries and loss of life. Such a policy must be a policy from an insurance company of good international reputation. Such a policy shall not contain any subrogation right to the insurance company's benefit against the other Party.

2.6.6 The Customer shall control the performance of the Service, request a test if necessary, draft a report, sign it and request the head of the Service personnel to sign it before the service personnel leaves the place of performance of the Service. Unless otherwise expressly noted in such a service report, the Service shall be deemed correctly performed and the Purchase shall have no right to claim.

## 2.7 FORCE MAJEURE

In the event SCI is unable to fulfil a contract due to force majeure or in case a contract is terminated because of force majeure, the Customer shall pay SCI pro rata for the deliveries and work already carried out by SCI including the purchases done by SCI and the parts of the Product already manufactured in accordance with the production schedule and on stock. In case of supply of Service, the Customer shall also pay SCI the costs of the service personnel as mentioned in Article 2.10.2.2.

## 2.8 APPLICABLE LAW, DISPUTE RESOLUTION

2.8.1 These Conditions, and any related contract, shall be governed by the United Nations' Convention on Contracts for the International Sale of Goods of 1980, supplemented, when insufficient, by the law of SCI's country for legal fields outside the scope of the Convention.

2.8.2 In case of a lack of conformity alleged by the Customer, the Parties accept the appointment of an independent technical expert by Det norske Veritas Germanischer Lloyd (DNV GL) upon request from one of the Parties. The expert shall present a technical report in English on the alleged lack of conformity, propose solutions and give an opinion. Unless otherwise agreed the expert shall not be a national of the countries of the Parties. Unless otherwise agreed in writing, this opinion shall not bind the Parties and any Party may go directly to the competent jurisdiction/arbitration as described below. The Customer must facilitate the examination by the expert. The failing Party shall cover the fee and costs of the expert. If the expert is of the opinion that both Parties have a responsibility, the fee shall be shared equally between the Parties.

2.8.3 When the Customer is from a European State, which has ratified the Lugano convention on the enforcement of judgments, any dispute arising out of or in connection with these conditions, and any matter related to contracts and commercial transactions, shall be settled by the court at the place of SCI.

When the Customer is from any other State, such disputes shall be finally settled by fast-track arbitration in accordance with the Rules of the Arbitration and Dispute Resolution Institute of the Oslo Chamber of Commerce, in English, in Oslo. If a Party refuses to appear, send the documents requested by the arbitral tribunal, pay the administrative fee or advance payment to the tribunal or follow the arbitral procedure and rules, the tribunal shall settle the dispute solely on the basis of the documents presented and render an arbitral award. A document shall be deemed presented to the tribunal only when it is sent in due time and the fee and advance payment from the Party presenting the document are received in due time by the tribunal. As an exception to this arbitration clause, SCI may request interlocutory measures or initiate a debt recovery procedure, including legal proceedings, at the court of its place or the place of the Customer. The Customer shall bear all the costs of the debt recovery procedure.

Both Parties hereby agree that accepted mediation solution or arbitral decision or court decision may automatically be enforced in all countries, particularly in any country where the relevant

Party has assets. The Parties undertake not to oppose the enforcement of such a solution or decision. The losing Party shall bear all legal costs of the winning Party. The tribunal may at its reasonable discretion reduce the legal costs to be reimbursed if the winning Party does not win all his claims. The losing Party shall cover all costs of enforcement.

## 2.9 CHANGE ORDER

The following provisions do not cover termination or cancellation of the contract but the right and obligations of the Parties related to the Customer's change order i.e. a requested partial modification of the order due to technical requirement.

2.9.1 When required by the end user or when it is necessary for improving the Products, the Customer is entitled to demand change of quality, quantity or characteristics of the Goods and change of the time schedule. A change shall be reasonable, i.e. not beyond what could reasonably have been expected at the date of the signature of the Order Confirmation.

2.9.2 In case of an increase of the work/order to be done by SCI, the Customer shall pay the additional costs on demand upon presentation of the additional invoice. The prices shall be according to the prices and labor costs at the date of the performance of the change order.

2.9.3 If SCI cannot perform the increase in the requested time, they shall inform the Customer without delay and propose another time limit. This time limit shall be deemed contracted unless the Parties agree in writing on another time limit or the Customer withdraws his change order with immediate notice to SCI.

2.9.4 In case of a reduction or suspension of the work/order, SCI shall immediately cease production of the part of the order which can be ceased, use their best endeavors to reduce their costs and inform the Customer of the new price without undue delay.

The Customer shall pay for all SCI's costs which cannot be reduced. The Customer shall among other pay for all manufactured Goods on stock and performed Services, parts of Goods partly manufactured and all ordered components and materials. These costs include also the cost related to lay off and dismissal of personnel, cancellation of sub-contracts which are necessary because of the change order and the administrative costs for performing the change order.

2.9.6 Unless the Parties agree in writing on a new delivery schedule and new milestones by reason of the required changes, the delivery time shall remain unchanged.

2.9.7 In case of change order the Customer shall hold SCI harmless.

## 2.10 TERMINATION OF CONTRACT

### 2.10.1 Termination

A contract may be terminated with immediate effect by either Party (the Requesting Party):

2.10.1.1 if the other Party has a receiver appointed over any of his assets, becomes insolvent or enters into liquidation, or if a petition of bankruptcy is filed by or against him, or if he makes an arrangement for the benefit of his creditors,

2.10.1.2 in case of default in payment or a material, i.e. substantial, breach by the other Party of the obligations arising out of the contract, if the other Party does not rectify such default or breach within the time period stipulated by the Requesting Party in the written request of rectification (this time period shall not be less than 15 days unless the default or breach cannot be rectified), or

2.10.1.3 in any other which gives the right to cancel the contract according to the law of the contract.

### 2.10.2 Cancellation by the Customer

#### 2.10.2.1 Supply of Goods:

Notwithstanding the possibility of termination according to Article 2.10.1, the Customer may cancel a contract upon the fulfilment of the following conditions:

- a) payment of 10 % of the EXW value of the contract price (EXW latest Incoterms) for cancellation 9 months before the agreed delivery date,
- b) payment of 20% of the EXW value of the contract price for cancellation 6 months before the agreed delivery date,
- c) payment of 100% of the contract price in case of later cancellation unless otherwise agreed in a specific written agreement on a compensation.

#### 2.10.2.2 Supply of Services:

Customer shall cover all the incurred costs of personnel, the costs for cancellation of travel and accommodation and all costs related to earlier return of the personnel, including the labor costs for the working, waiting and travel time.

2.10.2.3 In any case the Customer cancelling the contract shall defend, indemnify and hold SCI harmless in case of cancellation.