



# General Purchase Conditions

for the supply of Goods and Services to the OHIAB Group.

These General Purchase Conditions (hereinafter referred to as "the General Conditions") shall apply when the parties agree in writing or otherwise thereto. Modifications of or deviations from the General Conditions shall not apply unless agreed in writing. The applicability of Contractor's general terms and conditions is explicitly annulled by OHIAB.

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1 Definitions & Abbreviations

In these General Conditions the following terms shall have the meaning herein assigned to them:

**OHIAB:** The Buyer OHIAB, Oresund Heavy Industries AB and/or any of its affiliated group companies.

**Contractor:** The party providing the Supply to OHIAB according to purchase orders and agreements.

**Party or Parties:** OHIAB and Contractor respectively, or both.

**RFO:** Request For Offer, any verbal or written request issued by OHIAB to Contractor regarding the issuance of an Offer, quotation or tender.

**Offer:** the offer for the Supply made by Contractor to OHIAB.

**Supply:** All Services and Goods or any part thereof to be delivered by Contractor to OHIAB under any purchase order, agreement or contract.

**Goods:** A commodity, or a physical, tangible item which will form or forms part of the Supply.

**Services:** services or work of any kind to be performed by Contractor which will form or forms part of the Supply.

**Performance:** The provision of the Supply.

**Delivery:** delivery to OHIAB of Goods or Services or any part(s) thereof in accordance with the scope and date(s) set forth in the relevant purchase order.

**PPE:** Personal Protection Equipment.

**Shipyard:** The workplace/plant of OHIAB and/or of any of its affiliated group companies.

**Agreement:** All agreements, frame agreements, Offers and purchase orders resulting in delivery of Supply to OHIAB.

**Effective Date:** the date of the Parties' execution of an Agreement.

**Client:** "Client" is the customer of OHIAB.

**Notice:** Any document signed by one of the Parties and received by the other Party by letter, fax, electronic mail or other means of communication agreed by the Parties. The content of minutes from a meeting signed or approved by both Parties is also accepted as Notice.

**Variation order:** A written agreement between the Parties concerning an accepted change, variation regarding the scope of Supply.

**Clause:** a clause in these General Conditions.

**Headings** used in these General Conditions are for convenient reference only and have no effect on the construction, interpretation or meaning of the General Conditions.

2 Agreement and forming of Agreement

2.1 Offers shall be based on these General Conditions and outlined according to the information given in each RFO received from OHIAB. Any deviation in an Offer from these General Conditions will only be considered, but not necessarily accepted if properly referred to regarding each clause. Any deviation from these General Conditions shall only be valid if they have been accepted explicitly and in writing by OHIAB.

2.2 All Offers issued by Contractor shall be irrevocable and shall remain valid for ordering during a minimum of 90 calendar days from the date of receipt by OHIAB.

2.3 No remuneration or compensation will be paid for preparation and submission of Offers, nor for taking part in negotiations resulting from such Offers.

2.4 An Agreement is only formed and valid when signed by both Parties, OHIAB has accepted Contractor's Offer in writing, Contractor has returned OHIAB's purchase order signed without remarks or if Contractor has commenced the Supply in accordance with OHIAB's purchase order.

2.5 Contractor shall, without delay, acknowledge the acceptance of a purchase order by the returning of a signed copy thereof. OHIAB will be entitled to revoke any issued purchase order if has placed, as long as Contractor has not returned OHIAB's purchase order signed. The Contractor shall provide a time/performance schedule for the Supply to be delivered. This schedule shall include planned start and completion

times for each part of the Performance, and in case of works or services to be performed, also complete with a preliminary resource planning. The provided schedule shall form part of the Agreement once it has been approved by OHIAB.

2.6 If OHIAB has made available to Contractor documentation, drawings, specifications and instructions, these shall form part of the Agreement and shall be annexed to the Agreement. In the event of any inconsistency between the provisions of an Agreement and the aforementioned documentation, drawings, specifications and instructions as applicable thereto, the provisions of the Agreement shall prevail and in the event of inconsistency between the drawings and specifications, the specifications will be decisive. Instructions shall, in the event of inconsistency with any of the aforementioned apply last, unless specifically prioritized in writing. Contractor is obliged, on OHIAB's demand, to issue adequate bank security in the amount and manner set forth in the Agreement for the purpose of the full performance of Contractor's obligations under the Agreement, or to supplement or amend such security for the said purpose, in the absence of which OHIAB will be entitled to terminate the Agreement.

2.7 No terms or conditions submitted by Contractor shall apply to the Agreement unless accepted in writing by OHIAB

3 Prices and Delivery Terms

3.1 Unless otherwise agreed in writing, all prices of a purchase order shall be fixed for the term of the Agreement and be based on delivery DAP (Incoterms 2010), hereinafter referred to as "the Agreement Price". Place of delivery is by default OHIAB, Landskrona Sweden; however another place of delivery may be agreed between the parties.

4 Delivery

4.1 As Delivery of the Goods is only considered complete up on arrival of the Goods, agreed documentation, manuals, according to agreed delivery terms. Delivery of the Services is only considered complete(1) when approved by OHIAB in accordance with Clause 8. Acceptance inspection, upon having been made available by Contractor for Acceptance inspection in accordance with sub-clause 7.8 and (2) all agreed documentation as set out in the Agreement have been received by OHIAB. In case any Goods are to be delivered together with Services as part of the Agreement, such Goods shall be delivered to and accepted by OHIAB as afore said prior to OHIAB accepting Delivery of the Services. It is of the essence to OHIAB that the Agreement is fulfilled in each and every part, particularly concerning delivery time, quality and quantity.

4.2 Contractor shall only be authorized to perform partial deliveries of Goods or to carry out the Performance in parts, if so agreed upon in advance and in writing with OHIAB. OHIAB is authorized to refuse delivery of a partial delivery, or partial deliveries not agreed upon. OHIAB is also authorized to return such partial delivery at Contractor's expense and risk.

4.3 Delivery of the Supply prior to the time agreed upon is accepted subject to OHIAB's prior written permission. Delivery in advance will not entitle Contractor to any changes of the terms of payment or of the terms of guarantee according to Clause 19, unless separately agreed in writing with OHIAB.

4.4 OHIAB shall not be obliged to inspect the Supply upon Delivery or Performance. OHIAB shall inform Contractor of any discovered deviations or faults in writing, at the latest within two (2) months from discovery of the defect or the non-conformity. Contractor shall in that case remedy the defects within a reasonable term set by OHIAB in accordance with the provisions of Clause 19 of these General Conditions.

5 Delay in Delivery

5.1 The Supply shall be delivered according to agreed scope and delivery date(s) set forth in the applicable purchase order.

5.2 Delivery of the Supply and in case of partial deliveries thereof, are fixed. Any deviation therefrom for reasons other than those attributable to Force Majeure (Clause 23) or circumstances for which OHIAB is responsible shall be considered a breach without any further Notice from OHIAB being required. 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 from the Effective Date of the Agreement.

5.3 As soon as Contractor becomes aware of a risk for delay in delivery of the Supply or any part(s) thereof, irrespective of the cause of such delay, Contractor shall immediately, but not later than within 24 hours, notify OHIAB thereof in writing, stating the cause of delay, its estimated



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- duration and a new time of delivery. In the event that Contractor fails to so notify OHIAB, Contractor shall, notwithstanding the provisions of sub-clause 5.4, be liable for losses, costs and expenses incurred by OHIAB that could have been avoided had Contractor notified OHIAB within the time period in this sub-clause 5.3 set forth.
- 5.4 If Contractor fails to deliver the Supply or any part(s) thereof on time, unless caused by a Force Majeure event as in sub-clause 23.1 defined or circumstances for which OHIAB is responsible, Contractor shall pay liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 1,0% (one percent) of the Agreement Price for each commenced day of delay. If the delay concerns only a part of the Supply, the liquidated damages shall be calculated on the part of the price which is properly attributable to the part of the Supply which is not delivered on time. The liquidated damages shall not exceed 10 (%) percent of the Agreement Price or of that part which is the basis of the calculation. The liquidated damages become due automatically without any Notice or demand from OHIAB, however not before the complete Supply has been delivered or the contract is terminated.
- 5.5 In the event that OHIAB is unable to take delivery of the Supply at the time agreed upon due to circumstances of Force majeure, Contractor shall at OHIAB's request postpone delivery and/or Performance without OHIAB being liable to pay any damages or compensation to Contractor.
- 5.6 Contractor is obliged to take all measures reasonably possible to make up for any delay that occurs. Any extra costs and/or expenses as well as any damage or loss incurred to OHIAB, for measures to make up for delays caused by the Contractor, shall be borne by Contractor unless otherwise separately agreed in writing.
- 5.7 If Contractor's delay is such that it will prevent OHIAB to deliver its own works to Client in time, and the Supply is still not delivered, OHIAB may by Notice demand delivery within a final reasonable period which shall not be less than 48 hours. If Contractor fails to deliver within such final period, and this is not due to any circumstance for which OHIAB is responsible, OHIAB may, by Notice to Contractor, terminate the Agreement. In case of such termination OHIAB shall also be entitled to compensation for all loss costs and expenses suffered due to Contractor's delay.
- 5.8 OHIAB shall also have the right to terminate the Agreement by Notice to Contractor if it is clear that there will be a delay, which under sub-clause 5.4 would entitle OHIAB to maximum liquidated damages. In case of termination on this ground OHIAB shall be entitled to both maximum liquidated damages and compensation as in sub-clause 5.7, 3<sup>rd</sup> paragraph set forth.
- 6 Changes and variations**
- 6.1 Contractor is not allowed to make changes or alterations on any part of the Supply without OHIAB's prior written approval.
- 6.2 OHIAB shall at all times be entitled to change the scope and/or the volume of the Supply. OHIAB shall be entitled to change drawings, models, instructions, specifications and the alike with respect to the Supply upon having notified Contractor thereof by Notice.
- 6.3 If a change or variation affects the agreed Price and/or the delivery time or time of Performance, Contractor shall, before effecting such changes, inform OHIAB hereof by Notice without delay, but not later than within 48 hours from receipt of OHIAB's Notice as in sub-clause 6.2 set forth. Contractor shall present the price variation and/or the variation of delivery time. If the effects as set forth by Contractor upon the Agreement Price and/or the delivery time agreed upon are viewed as unreasonable by OHIAB, OHIAB is entitled to terminate the Agreement without being liable for damages or compensation.
- 6.4 All approved and accepted variations/changes shall be signed and agreed in writing, hereinafter constituting a Variation order. All Variation orders shall be recorded and implemented as therein set forth.
- 7 Testing, Inspection and Approval of Supply**
- 7.1 OHIAB shall have the right, but not the obligation, at all times to witness, inspect and test any part of the Supply or materials thereof.
- 7.2 During normal business hours OHIAB is entitled to test, inspect or try out the Supply prior to delivery and/or Performance any time it wishes to do so at Contractor's premises or at any other sites/locations where the Supply is present, regardless of the production and/or development phase.
- 7.3 Contractor shall make the Supply or any part(s) thereof available for testing, inspection or trials at such times as it will still enable the agreed delivery time and/or time of Performance to be complied with.
- 7.4 Contractor shall, without any extra charges to OHIAB, cooperate in the testing/inspection/trials and at OHIAB's request make reasonable personnel and material assistance available to OHIAB to assist testing/inspection/trials. All costs and expenses related to the testing/inspection/trials, with the exception of OHIAB's costs for OHIAB's employees or other persons acting on behalf of OHIAB, shall be at Contractor's expense. If testing/inspection/trials is/are delayed due to reasons not caused by OHIAB or someone for whom OHIAB is responsible or if OHIAB on reasonable grounds rejects the Supply or any part(s) thereof during testing/inspection/trials, all costs and expenses caused by such delay or rejection as well as all costs and expenses related to the subsequent testing/inspection/trials (including costs of OHIAB's personnel and agents) shall be borne by Contractor.
- 7.5 If during testing/inspection/trials OHIAB rejects the Supply or any part(s) thereof, Contractor is obliged on its own account and within a reasonable term set by OHIAB, to remedy the defect or deficiency as the case may be and to present the missing, remedied or replaced part(s) of the Supply for testing/inspection/trials at its own cost and expense without prejudice to any of OHIAB's other rights under the Agreement or otherwise. Rejection by OHIAB shall not lead to any postponement of the terms of delivery and/or of Performance set forth in the Agreement. Only completely approved Supply is allowed to be invoiced if not otherwise agreed between the Parties in writing.
- 7.6 Any testing/inspection/trials of the Supply or any part(s) thereof by or on behalf of OHIAB do not imply any approval of the Supply and does not replace the final Acceptance inspection as per Clause 8 or inspection upon delivery.
- 7.7 If Contractor fails to meet its obligations under this clause 7 within the term agreed upon, OHIAB will be entitled to terminate the Agreement in part or in full and to purchase the Supply or any part(s) thereof from a third party, alternatively to take measures itself, or have measures taken by a third party, all at Contractor's cost, expense and risk, without being under any obligation to pay damages or compensation to Contractor, and without prejudice to OHIAB's other rights to demand compensation for damage sustained and costs incurred as a result thereof.
- 7.8 For sub-contract work or Services, as the case may be, performed by Contractor, Contractor shall summon the Parties to an obligatory Acceptance inspection as in Clause 8 set forth without delay when the Performance is completed.
- 8 Acceptance inspection**
- 8.1 If an Acceptance inspection has been agreed upon between OHIAB and Contractor, or is obligatory according to sub-clause 7.8, Contractor shall present and prepare the Supply for this purpose on the date agreed upon between the Parties. In order to establish whether the Supply meets the Agreement in full, OHIAB and Contractor shall decide on the procedure as well as the term within which the Acceptance inspection is to be carried out. Contractor shall not submit the Supply for the Acceptance inspection, or summon to this inspection if Contractor is aware or suspect that the Supply will not pass the Acceptance inspection successfully.
- 8.2 The Acceptance inspection has been successfully completed and the Supply is accepted by OHIAB, when the Acceptance inspection is approved by OHIAB as evidenced by an inspection protocol signed by OHIAB and Contractor, stating any minor defects or deficiencies which do not prevent the Supply from being operational, and which shall be remedied by Contractor without delay free of charge to OHIAB.
- 8.3 If the Acceptance inspection has not been successfully completed, Contractor shall within a term to be agreed upon in writing make such amendments to the Supply free of charge to OHIAB, as will enable the Supply to successfully pass the next Acceptance inspection. Subsequently the Supply will once again be subjected to an Acceptance inspection under the provisions of this Clause 8. All costs and expenses arising from this new Acceptance inspection shall be borne by Contractor.
- 8.4 If an Acceptance inspection is unsuccessfully completed twice, OHIAB shall be entitled to terminate the Agreement with Contractor, without being under any obligation to compensate Contractor for any damage, costs or expenses and without prejudice to OHIAB's other rights to demand compensation for any damage or loss suffered and costs and expenses incurred. Notwithstanding what in this sub-clause 8.4 is set forth, the Parties may separately agree that further Acceptance inspections are to be performed in accordance with the provisions of sub-clause 8.3.
- 8.5 Acceptance in accordance with the provisions of sub-clause 8.2 shall not release Contractor from its obligations under the guarantee contained in Clause 19.

**9 Performance of the Supply**

- 9.1 If Contractor provides personnel to OHIAB, or provides Services, Contractor is obliged to arrange and bear all costs for the necessary training of the personnel and be responsible towards OHIAB for all the provided personnel being qualified, trained, licensed and approved with respect to safety, work skill, experience, and performance.
- 9.2 Before performance of any works Contractor shall inform OHIAB in writing of the full personal details of the personnel provided by Contractor as well as of those supervising on Contractor's behalf. During Performance Contractor shall secure that the provided personnel always are carrying a proper identification card provided by Contractor and that the provided personnel at all times are wearing suitable work cloths.
- 9.3 Contractor shall indemnify and hold OHIAB harmless from and against any claims from third parties with respect to damage caused by Contractor provided personnel, as well as from any claims made by its personnel in connection with performance of the Supply or any part or parts thereof, unless caused by OHIAB or anyone for whom OHIAB is responsible.
- 9.4 In the event of misconduct or unsuitability of Contractor provided personnel or if such personnel should refuse to comply with regulations or instructions in the field of order, safety or environment, OHIAB will be entitled to deny the offender(s) access to any sites/locations where the activities are performed or to remove them from these sites/locations. In that case Contractor shall at once provide replacement personnel, without any obligation on the part of OHIAB to compensate Contractor for any costs or expenses incurred as a result thereof. Contractor also has to provide replacement personnel in the event of sickness or holidays of such personnel.
- 9.5 OHIAB is not obliged to pay hourly wages / remunerations to Contractor or personnel provided by it for the period during which these are prevented from performing their activities in connection with the Performance as a result of strikes or industrial unrest at OHIAB's or Contractor's or any third party's site, where manufacture of the Supply or any part(s) thereof takes place. Nor is OHIAB obliged to compensate costs of equipment, tools, ancillary materials etc. made available by or on behalf of Contractor, in the event of the inability to use these as a result of the circumstances set forth in this sub-clause 9.5.

**10 Documentation of working time**

- 10.1 At all times when performing Services on running account the time spent shall be registered by Contractor and be provided OHIAB by a daily time report showing hours actually spent on each part of the Supply, the time report shall be OHIAB at hand at the latest 07.00 the day after performance. Only charges according to approved time reports, signed by OHIAB's representative, are approved for invoicing. Time spent waiting will not be compensated for, unless the stoppage is directly caused by OHIAB or Client.

**11 Rules and Regulations within Oresund Heavy Industries AB**

- 11.1 For any activities to be performed at the Shipyard or any third party's sites, Contractor shall prior to the commencement thereof satisfy itself of the regulations applicable for that site. The local safety regulations must be strictly complied with at all times and Contractor is responsible for all his provided personnel complying therewith. When performing work at the Shipyard OHIAB's safety regulations "**Regulations within Oresund Heavy Industries AB**" apply at all times and will form part of an Agreement according to sub-clause 2.4, the OHIAB's safety regulations are also available via web-site, [www.ohiab.eu](http://www.ohiab.eu).
- 11.2 When services and other activities are to be performed at the Shipyard, all Contractors provided personnel must be approved according to the SSG Entre Safety Training and carry a valid SSG Entre card, without which any individual will be prohibited from performing any part of the Supply at OHIAB's site(s). Nonetheless, during year 2015 previously issued permits may be accepted by OHIAB upon Contractors prior written request.
- 11.3 In the event personnel are provided by Contractor as referred to in sub-clause 9.1, are not residents in Sweden, Contractor must abide by the EU Posting of Workers Directive (96/71 EC) and the Swedish act, Posting of Workers Act (1999:678) as amended or replaced. A certified copy of the portable document A1 ("PDA1") concerning social insurance legislation applicable to the holder shall be provided to OHIAB by Contractor for each such person provided by Contractor to certify which social security legislation applies to the holder. A certified copy of the PDA1 shall be furnished OHIAB before the start of works but not later than before OHIAB payment of the relevant invoice for work or services performed by such personnel.

- 11.4 If Contractor provides personnel to OHIAB performing work at the Shipyard, Contractor is obliged to provide them with adequate (safety) clothing with an easy recognizable logotype, PPE equipment and to ensure compliance with the applicable safety rules as referred to in sub-clause 11.1.

- 11.5 In case the Supply, including eventual packing materials, contains any chemical substance, the Contractor shall be liable to abide by the requirements stipulated in the European Union REACH Regulation (EC No 1907/2006). Contractor shall, as part of the Supply, provide the obligatory documentation, stating that the Goods, including its packing in all respects fulfil the stipulated requirements. The Supply shall, as applicable, be classified, labelled and packed in accordance with the CLP regulation (EC No 1272/2008) and/or according to the regulation issued by the Swedish Chemicals Agency about classification and labelling of chemical substances (KIFS 2005:7) In the absence of such documentation, and in the event of suspected toxicity of substances and materials delivered without documentation, these substances and materials shall be removed and destroyed without delay in accordance with the regulations applicable for that purpose at Contractor's cost and expense.

- 11.6 Contractor guarantees towards OHIAB the strict compliance with all environmental regulations applicable at the time and place of Performance. Contractor shall compensate OHIAB for all damage, loss, costs and expenses suffered by OHIAB resulting from non-compliance with such applicable environmental regulations and hold OHIAB harmless from and against all third-party claims in this respect.

- 11.7 Each day Contractor shall remove all rubbish, waste, surplus materials and substances (collectively herein referred to as "the waste") resulting from the Performance, which are left behind on OHIAB's or any third party's sites/locations by those who performed the activities for or on behalf of Contractor. In case Contractor fails to perform the removal thereof Contractor shall pay the actual costs and expenses incurred to OHIAB for having the waste removed by a third party.

**12 Auxiliary materials**

- 12.1 If during Performance Contractor makes use of OHIAB's auxiliary materials and/or equipment, Contractor shall return the auxiliary materials and/or equipment to OHIAB in good state, fair wear and tear excepted so far as the equipment is concerned, immediately after completion of the activities, in the absence of which Contractor shall compensate the loss or damage suffered by OHIAB suffered as a result thereof.

- 12.2 All auxiliary items and/or equipment, whether owned, leased or hired by OHIAB or Contractor, as the case may be and used by Contractor in the Performance shall comply with applicable Swedish safety regulations. Contractor shall indemnify and hold OHIAB harmless from and against any claims by third parties, including OHIAB's employees for any damage caused by Contractor's faulty auxiliary items and/or equipment, whether owned, leased or hired by Contractor, except for any damage caused by OHIAB's faulty auxiliary items and/or equipment.

- 12.3 Upon request, OHIAB will, for a consideration to be agreed upon in advance, make oxygen, gases, power, light, water, scaffolding and lifting equipment available to Contractor for the benefit of the Performance.

**13 Temporary storage**

- 13.1 If any items, raw materials and/or materials, to be used or processed by Contractor, are stored on OHIAB's or any third party's site, OHIAB's written instructions shall be observed in respect of the location and term of the storage. Any damage or loss caused by Contractor not complying with the aforementioned instructions is on Contractors account and liability.

**14 Title of ownership**

- 14.1 Subject to the provisions of sub-clause 14.2, title to the Supply shall pass to OHIAB the moment the risk passes to OHIAB in accordance with the INCOTERM agreed upon, in the absence of which title shall pass to OHIAB upon delivery, as in Clause 3 set forth ("Delivery"), at the place agreed upon. In the event of OHIAB making payments prior to Delivery, title to the corresponding value of the amount paid shall pass to OHIAB at the moment of such payment.

- 14.2 If installation or assembly of the Supply or any part(s) thereof by Contractor has been agreed upon, or if Contractor is to perform a work, risk and title shall pass to OHIAB after acceptance in accordance with Clause 8 upon Contractor's call for an Acceptance Inspections as in sub-clause 7.8 set forth or, if no Acceptance inspection took place, after



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- the Goods or the Supply have actually been put into operation by or on behalf of OHIAB.
- 14.3 If OHIAB provides Contractor with items for the benefit of the Supply, such as raw materials, semi-finished products, materials and parts, models, specifications, drawings, software and information carriers, these items shall remain OHIAB's property. Contractor shall at its own expense keep these items, clearly marked as OHIAB's property, in a good condition and shall bear the risk of loss, damage or destruction of these items. Contractor is obliged to have these items insured at its own expense for the period of time it has the use of these items. Contractor shall use these items or let them be used for the benefit of the Agreement only. Contractor shall without delay return what remains thereof to OHIAB at its own expense in the same condition as when provided, fair wear and tear excepted, after the Agreement has been completed, terminated or has expired.
- 14.4 Goods manufactured by Contractor from items described in sub-clause 14.3 shall become property of OHIAB and Contractor shall keep and take care of these for the benefit of OHIAB until further instructions in writing from OHIAB.
- 14.5 Where Contractor or any of its suppliers or subcontractors has stipulated for the retention of title in any Goods or Services delivered to OHIAB or has made any other reservation for the like purpose, that stipulation or reservation shall cease to apply simultaneously with such Goods becoming joined with other Goods or being received in OHIAB's production to be processed, installed, fitted or similarly treated.
- 15 Packing, marking and storage**
- 15.1 Contractor shall pack and preserve all Goods to be supplied by it in such a manner that the Goods may be shipped and/or stored indoor without damage for at least 12 calendar months from the date of shipment or of storage, as the case may be.
- 15.2 Contractor shall in accordance with OHIAB's instructions provide the Goods with the required marking, texts or labels and shall ensure that such marks are clearly visible at the front or the back when stacked for transport.
- 15.3 If Contractor and OHIAB have agreed that Goods are to be stored prior to Delivery, such storage shall take place in a place jointly to be determined by Contractor and OHIAB, unless otherwise expressly agreed in writing.
- 15.4 Contractor is liable for any damage caused by inadequate packing and/or inadequate preservation, as well as for any damage caused to the Goods as a result thereof. Contractor shall be responsible for any protective treatment or packaging required and for any preventive inspection, test and maintenance while in store. If Contractor stores goods belonging to third parties, Contractor shall indemnify OHIAB and hold OHIAB harmless from claims of those third parties in respect thereof.
- 15.5 Contractor should at all times make sure that all used packing materials are of the most appropriate, recyclable and sustainable type with a minimized environmental impact.
- 15.6 If not otherwise agreed in writing, all packaging material shall be included in the agreed price.
- 16 Intellectual Property**
- 16.1 All drawings, models, equipment, programs, technical details, as well as the specifications and all other documents and items provided to Contractor by OHIAB by virtue of the Agreement, shall remain OHIAB's property and shall upon completion, termination or expiry of the Agreement be returned to OHIAB by Contractor at its expense. Any intellectual property rights to or in the aforementioned drawings, models, equipment, programs, technical details, as well as the specifications and all other documents and goods shall, to the extent present, remain with OHIAB.
- 16.2 Unless otherwise agreed upon in writing by OHIAB and Contractor, all drawings, models, equipment, programs, technical details, as well as all other documents manufactured by or on behalf of Contractor in connection with or by virtue of the Agreement shall be deemed to have been manufactured for OHIAB and shall be OHIAB's property. Upon termination or expiry of the Agreement these drawings, models, etc. should be provided with the necessary distinguishing marks and surrendered to OHIAB, unless otherwise agreed upon. Any intellectual property rights to such drawings, models, equipment, programs, technical details and all other documents shall also be vested in OHIAB. To the extent that these intellectual property rights are not by law vested in OHIAB, Contractor shall on OHIAB's demand always grant all cooperation necessary to assign these rights to OHIAB, including the signing of any deeds of transfer.
- 16.3 If upon completion, termination or expiry of the Agreement Contractor should fail to return to OHIAB the drawings, models etc. made available by OHIAB or manufactured at OHIAB's instruction, OHIAB will be entitled to suspend all payments due to Contractor at that time in respect of the Agreement, and/or to set off those payments against the costs OHIAB has to incur for replacement or otherwise.
- 16.4 If contrary to the provisions of sub-clause 16.1 and/or 16.2 it should have been agreed with Contractor in writing that certain drawings, models and designs (hereinafter jointly: "Drawings") shall remain the property of and/or the intellectual property rights to or in the Drawings shall be vested in Contractor, Contractor shall provide OHIAB with a perpetual, worldwide, exclusive, royalty-free and transferable license to multiply, disclose, use, amend and otherwise make commercial use of the Drawings. On OHIAB's demand Contractor shall without delay provide a copy of the Drawings to OHIAB.
- 16.5 Contractor warrants to OHIAB that the Goods to be delivered by Contractor do not violate any patent, copyright, trademark right and/or design rights or any other intellectual rights of third parties and Contractor shall indemnify OHIAB and hold OHIAB harmless from any claim for infringement of any such (alleged) right including costs, expenses and losses arising therefrom as well as from litigation costs and reasonable attorneys' fees.
- 17 Confidentiality**
- 17.1 Contractor shall treat all technical (as in more detail described in Clause 16) and business information, knowledge, know-how provided to it by OHIAB or disclosed to Contractor in any other manner concerning OHIAB, its Client, or other business relations or the Supply, as confidential and shall not disclose such information without the prior written consent of OHIAB to anyone other than the persons having a need-to-know for the Performance. Contractor hereby undertakes to use the aforementioned information for the Performance only. Contractor shall impose the same confidentiality obligations set out in this Clause 17 upon its employees, advisors, sub-contractors and suppliers who may get access to the aforementioned information in relation to Performance. A breach by any of the parties referred to in this Clause 17 of any of the confidentiality obligations set out in this Clause 17 shall be treated as a breach by Contractor.
- 17.2 In the event the Client so requires, Contractor agrees to enter into a separate non-disclosure agreement with OHIAB on terms and conditions similar to those entered into by OHIAB with the Client.
- 17.3 Contractor shall not disclose the business relationship with OHIAB for publicity or promotional purposes without the prior written consent of OHIAB.
- 18 Compliance and warranty**
- 18.1 Contractor shall satisfy itself of the purpose of the Supply, in the absence of which Contractor is expected to be familiar with (a) the purpose for which the Supply is intended and (b) the circumstances under which Delivery and/or Performance will take place.
- 18.2 Contractor warrants that:
- (a) the Supply is complete and suitable for the purpose intended;
- (b) the Supply is complying in full with the written conditions as specified in the purchase order, technical details, drawings, models, calculations and/or other information provided by OHIAB and accepted by Contractor as in Clause 2 or Clause 6, as applicable, set forth.
- (c) the Supply is of good quality and good workmanship, free from any defects or deficiencies in design, manufacturing and/or materials, and that new materials and qualified personnel will be used or deployed, as the case may be, for the Performance of the activities forming part of the Supply;
- (d) the Supply does not contain any asbestos, biocide, or radioactive materials;
- (e) the Supply complies with all relevant rules and regulations of the applicable classification society and regulatory authorities respectively, having jurisdiction over or in respect of Client's vessel being the object for the Supply;
- (f) it will provide the performance agreed upon, regardless of whether the Supply concerns Goods, Services or Works;

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- (g) the Supply includes all relevant documentation, certificates, official documents, assembly instructions, instructions for use, technical details, drawings and reports.
- (h) to the extent that the Supply is carried out in a place outside Contractor's business premises and/or sites, the laws and government regulations applicable to that place as well as the regulations declared applicable for that place by OHIAB or his Client, will be observed.
- 18.3 Contractor undertakes to supply, at normal market prices, for a period of ten (10) years after delivery of the relevant part(s) of the Supply, the spare parts necessary for the use of the Supply or any part(s) thereof. Spare parts of material importance for the intended use of the Supply or any part(s) thereof shall be supplied without any undue delay.
- 19 Liability for defects, Guarantee**
- 19.1 The Contractor is liable for any and all defects and deficiencies resulting from faulty design, materials, workmanship or installation that appear within 18 months from Delivery, or, if an Acceptance inspection according to sub-clause 8.1 is performed, within 18 months from approval of the Supply by OHIAB in accordance with sub-clause 8.1. Where the Contractor is liable for a defect or deficiency as herein set forth, Contractor shall also be liable for any damage or deficiency caused OHIAB or Client by such defect or deficiency. Contractor shall however not be liable for defects or deficiencies resulting from materials, design or handling provided by OHIAB or Client, nor for fair wear and tear, incorrect use or maintenance by OHIAB or Client or anyone for whom OHIAB or Client, respectively, is responsible. Notwithstanding the above, the minimum liability period shall be 12 months running from the documented date of the taking over by OHIAB's Client, the end-user of the property of which the Goods delivered by the Contractor are part of.
- 19.2 The Contractor shall, in accordance with the provisions of this Clause 19, by repair or replacement remedy any defect or deficiency in the Supply resulting from faulty design, supplied materials, bad or incorrect workmanship or installation. Contractor is obliged to remedy the defects at the earliest possible date, and in any case within the reasonable term set by OHIAB.
- 19.3 Contractor is, subject to what is set forth in this sub-clause 19.3, liable for any and all defects or deficiencies appearing on or in any repaired or renewed part of the Supply within 12 months from completion of repair or replacement, as the case may be, thereof, but the total period of Contractor liability for any such repaired defect or deficiency or repaired or replaced part of the Supply, as the case may be, shall not exceed 24 months in aggregate. In no case shall the liability period for a repair or renewal be less than the initial liability period of 18 months. Where Contractor is liable for a defect or deficiency as in this sub-clause 19.3 is set forth, Contractor shall also be liable for any damage or deficiency caused OHIAB or Client by a repaired defect or deficiency or replaced part of the Supply, as the case may be. Contractor shall however not be liable for defect or deficiency resulting from materials, design or handling provided by OHIAB or Client nor for fair wear and tear, incorrect use or maintenance by OHIAB or Client or any one for whom OHIAB or Client respectively is responsible for.
- 19.4 If the Contractor is prohibited, or denies, to carry out the necessary remedial work according to this Clause 19, as well as in the case of urgency, OHIAB has the right to remedy the defects itself, or have the remedy performed by third parties at Contractor's cost, expense and risk, of which OHIAB will inform Contractor at the earliest possible date. In such case the provisions set forth in sub-clause 19.5 shall remain applicable in full.
- 19.5 Contractor is obliged to bear all costs and expenses which have been incurred in order to remedy the defects or deficiencies under the guarantee contained in this Clause 19 or on account of non-conformity, including, but not limited to, cost of transportation, materials, transport, travel and accommodation expenses, assembly and disassembly costs and other cost of labor related hereto.
- 20 Liability and Insurance**
- 20.1 Contractor shall be liable for any damage or loss incurred to OHIAB's property, Client's property or property belonging to any third party, if caused by a failure in the performance of any obligation entered into by Contractor with OHIAB under or in connection with this Agreement, and for all damage directly or indirectly arising from a wrongful or negligent act or omission of Contractor or its provided personnel, its representative or subcontractor or supplier.
- 20.2 Contractor shall indemnify and hold OHIAB harmless from and against all claims of whatever kind Client or any third parties should have on OHIAB due to Contractor's failure in the performance of its obligations under the Agreement or any act or omission of Contractor, its employees and sub-contractors.
- 20.3 Contractor shall at its own expense obtain and maintain a valid insurance covering contractual and extra-contractual liability and valid for all damages occurring under the Agreement, whereby any recourse against OHIAB shall be excluded. Minimum liability limit shall be SEK 10.000.000 (ten million) per damage and occasion.
- 20.4 At OHIAB's request, Contractor shall submit an insurance certificate confirming such insurance cover, payment of premiums therefore as well as specifying the names of the insurers, the policy and expiration dates. To the extent that Contractor has agreed to indemnify and hold harmless OHIAB in accordance with the terms and conditions of the Agreement and these General Purchase Conditions, Contractor shall ensure that its insurers waive all rights of recourse, including any rights of subrogation, against OHIAB.
- 21 Payment terms and invoicing**
- 21.1 Contractor's invoices shall at all times contain information about: OHIAB's purchase order number, correct reference person of OHIAB, Contractor's invoice number and Contractor's reference person. In addition, other specific reference information as separately specified by OHIAB in writing shall be included. Invoices covering sub-contracted work must be presented to OHIAB as an attachment to Contractor's own invoice, without which any invoice covering sub-contracted work will not be approved for payment, nor paid.
- 21.2 Payment shall be made within 30 calendar days from complete delivery of the Goods or Supply as per sub-clause 4.1 and receipt of invoice. If other terms in regards to payment are part of the Agreement these apply instead of what is set forth in this Clause 21. OHIAB shall not make any payment into bank accounts which are not in Contractor's name.
- 21.3 If the Supply comprises a sub-contract work or Services, invoicing is only approved following completion and approval according to Clause 7. To every such invoice must be attached approved and signed time reports according to sub-clause 10.1.
- 21.4 Any invoice from Contractor, which does not comply with the provisions of this Clause 21, will not be accepted but returned to Contractor, without OHIAB being liable to pay any charges, compensation or interest for the eventual late payment caused by such an invoice.
- 21.5 If OHIAB fails to pay on time, other than for the reason set forth in sub-clause 21.4, Contractor shall be entitled to interest from the due date at the rate of interest determined by the Swedish Interest Act (1975:635) without any further compensation due. Interest for late payment only becomes due upon written notification from Contractor.
- 21.6 Payment by OHIAB does not under any circumstances constitute acceptance of the Supply or any part thereof or an acknowledgement that the Supply or any part thereof is free of any defects or deficiencies.
- 21.7 Invoice for Services provided by personnel referred to in sub-clause 11.3 will be rejected by OHIAB in the event the PDA1 referred to therein is not provided to OHIAB as therein set forth. Such rejection will not entitle Contractor to claim compensation, damages nor interest caused by late payment of any rejected invoice and Contractor shall indemnify and keep OHIAB harmless from any claim raised by any such Contractor personnel or personnel providing Services as described in sub-clause 11.3.
- 22 Termination**
- 22.1 OHIAB is entitled to terminate the Agreement In the event of Contractor being in breach, fails to take adequate measures to remedy a breach within 24 hours as requested in writing by OHIAB, failing in the performance of its obligations under the Agreement, as well as in the event of bankruptcy or a moratorium on payments or Contractor losing the power to dispose of its capital, if Contractor becomes part of an M&A process, or any other situation relating to major changes regarding the ownership of Contractor which in OHIAB's reasonable opinion would affect Contractor's fulfillment of the Agreement or any purchase order resulting from the Agreement, or in the event of Contractor's licenses required for the Agreement, being withdrawn, OHIAB will be entitled to suspend its obligations arising from the Agreement or to terminate the Agreement in whole or in part with immediate effect, without further notice of failure being required, without being under any obligation to pay damages and without prejudice to its other rights by law and by the Agreement.
- 22.2 Upon termination following the provisions in sub-clause 22.1 OHIAB is only liable to compensate Contractor for relevant already completed



performance and approved Supply, apart from this OHIAB is not liable to pay Contractor any further compensation or damages.

22.3 In the event that OHIAB has made any payments in advance, all such payments, not covered by completed and approved deliveries according to sub-clause 22.3, shall be refunded to OHIAB at first request.

22.4 All claims OHIAB has or may acquire on Contractor shall at once become due and payable in the event of a situation arising as referred to in sub-clauses 22.1 and 22.2.

**23 Grounds for Relief (Force Majeure)**

23.1 The following circumstances shall constitute grounds for relief if they impede the performance of the Agreement 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 and restrictions in the supply of power. Delay in delivery by Contractors sub-contractor does not constitute a ground for relief unless the cause is 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.

23.2 The party wishing to claim relief under sub-clause 23.1 shall without delay, but not later than within 24 hours notify the other party in writing on the intervention and on the cessation of such circumstance.

**24 Assignment alternatively Sub-contracting**

24.1 Contractor shall not assign, or sub-contract all or any of its obligations or rights under the Agreement to any third party without OHIAB's prior written approval.

24.2 After the Agreement has become valid as per sub-clause 2.4, Contractor will not be permitted to charge OHIAB any contractor fee or other compensation for sub-contracting its obligations as referred to in sub-clause 24.1. Notwithstanding that however, if Contractor can prove relevant and, in the opinion of OHIAB, reasonable costs for handling its sub-contracted obligations arising after a valid Agreement has been entered into, a contractor fee may be negotiated and accepted by OHIAB as part of the written approval according to sub-clause 24.1.

**25 Disputes, Applicable Law**

25.1 Disputes arising out of or in connection with the Agreement shall not be brought before ordinary courts, but shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Malmö, Sweden and the language to be used in the arbitral proceedings shall be Swedish, or English if the Contractor is a non-Swedish company.

25.2 An Agreement as well as these General Conditions are governed by and shall be construed in accordance with Swedish Law.