

Skaar Norway AS * Kolkaia 3 * 6900 Floroe * Norway

GENERAL TERMS AND CONDITIONS OF SALE

1. CONCLUSION OF CONTRACT AND OVERRIDING EFFECT

The Buyer's written purchase order shall be considered an irrevocable offer until accepted or refused by Seller. All contracts of sale between Buyer and Seller shall be finalized, subject to and in accordance with these Conditions, upon receipt by Buyer of Seller's acceptance in the form of a written Confirmation of Order or following execution by Seller of the Order. It shall be understood and agreed that these Conditions shall govern all future sales between the parties and Buyer hereby consents to the overriding effect of these Conditions over any general terms or conditions of purchase of Buyer. The place of conclusion of the contract of sale and the place of payment shall be at Seller's premises. Orders and/or modifications thereof made verbally or by telephone shall be refused unless and until confirmed in writing by Buyer.

2. DELIVERY

Delivery is defined as the placing of Products in the actual or constructive possession or control of the Buyer, including Buyer's shipper or forwarding agent. The date of delivery shall be the date indicated in Seller's Confirmation of Order. It shall be understood and agreed that all delivery terms, including without limitation, the date of delivery or when Products are to be produced, shipped or forwarded, are purely indicative and not binding on Seller, nor considered essential terms or conditions of the contract of sale. Delays in delivery shall not give rise to any form of indemnity or damages (including penalties or liquidated damages of any kind) against Seller, nor any right of termination by Buyer, whether in whole or in part, of the sales agreement and these Conditions. Seller shall notify Buyer by telefax when Products are ready for delivery. Upon receipt of said notice, Buyer shall have 5 days to take delivery. If Buyer does not take delivery within the same 5-day-period, Seller shall have the right to consider the Order cancelled, unless Buyer agrees to pay for all reasonable storage and warehousing costs, as well as any other reasonable cost. In the event of cancellation, Seller shall be entitled to retain any deposits received to offset damages occasioned by Buyer's cancellation, including expenses in excess of said deposits incurred by Seller on the re-sale of Products. In the event Buyer takes delivery following storage of Products in a warehouse, Seller shall be entitled to reasonable storage and warehousing costs, in addition to payment in full of the agreed price invoiced by Seller. In either case, Seller shall have the right to further damages, including loss of profit, occasioned by Buyer's cancellation or delay.

3. PRICES, TRANSPORTATION AND PACKAGING

Seller's prices for Products and delivery terms to Buyer shall be EXW (as defined in ICC INCOTERMS 2010). In any event, regardless of how Products are sold and delivered, Buyer shall bear all risks from the date of delivery and shall insure the Products and inspect them upon arrival. Standard packaging is included in the price. Special packaging requested by the Buyer shall be invoiced at cost. Following delivery, Seller shall not be liable for any loss or damage to Products in transit or due to improper handling or storage thereof by shipper, carrier or forwarding agent.

4. LIMITED WARRANTY

Seller warrants to Buyer, subject to the limitations herein, that Seller will replace defective Products by non-defective Products. Notice of defects, including all details thereof, occurring under this Limited Warranty must be given to Seller within a reasonable time, not to exceed twenty-four (24) hours from delivery of Products, in writing by registered mail, return receipt requested for this Limited Warranty to take effect. Any use or unauthorized sale of Products after a claim has been made shall automatically void this Limited Warranty. This Limited Warranty is NOT applicable to damage or failure arising from normal deterioration, Buyer's improper or abnormally intensive use or maintenance of Products, or any modification or alteration of Products, carried out without the express written authorization and consent of Seller, direct, incidental or consequential damages, costs or expenses, including but not limited to, production stoppage and loss of profits, incurred as a result of any defects or because of any steps Buyer must take to become entitled to replacement hereunder. EXCEPT FOR THE REPLACEMENT BY SELLER OF ITEMS COVERED BY THIS LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES. THIS LIMITED WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH SELLER HEREBY DISCLAIMS.

5. BREACH OF CONTRACT BY SELLER AND DAMAGES

Seller shall be liable for damages under these Conditions or extra-contractually, only in the event of a deliberate breach hereof, or under circumstances amounting to a gross negligent breach of the obligations owed to Buyer. This limitation of Seller's liability shall not apply in the event of a fundamental breach of Seller's obligations hereunder. In any event, Seller shall not be liable for failure to perform any of its obligations, if the failure is due to impediments which occur as a consequence of natural or political events, acts of government, industrial disputes, sabotage, accidents or similar circumstances beyond the Seller's reasonable control. In such cases, Buyer will rely on other remedies and may claim liquidated damages only in the event the failure is not cured or remedied within a reasonable period; provided that, in such an event, liquidated damages will be limited to a maximum of 5% of the total price invoiced therefore by Seller. Damages for all other breaches shall not exceed the total price of the Order invoiced by Seller. In the event of contractual or extra-contractual liability, Seller will compensate Buyer's loss to the extent that such loss was foreseeable to Seller at the time of formation of the contract.

6. PAYMENTS

Payments shall be effected, net of any expenses or discounts, according to the terms and conditions contained in Seller's Confirmation of Order and/or invoice. Any payment from the Buyer shall be effective only when it has reached Seller's headquarters or has been irrevocably credited to the bank account designated by Seller for this purpose, and accepted by Seller. Payment from Buyer shall be considered accepted only when it has been cashed by Seller without objections. Payment terms may not be changed without Seller's written authorization and consent. Except in the case of a failure to deliver, nothing, including delayed deliveries, shall entitle Buyer to postpone making payment in accordance with the agreed payment terms. In the event of a delay in payment or withholding of payment or part payment exceeding ten (10) days from the date of payment, Seller may, at its option, void its Limited Warranty and terminate all other obligations towards Buyer or charge the Buyer interest at the going legal rate. In the event of a

credit sale providing for payment by instalments, Buyer's failure to make any one instalment payment shall result in all outstanding instalments becoming immediately due, in which case Seller may, at its option, terminate the sales agreement and withhold any of Buyer's instalments as liquidated damages, until full payment of the amount outstanding has been received by Seller.

7. RETENTION OF TITLE

7.1 All Products are delivered under retention of title and shall remain the property of the Seller until complete fulfilment of the purchase price claim and fulfilment of all due, not-yet-due or conditional receivables resulting from mutual business relations, including any bills receivable.

7.2 Processing of goods subject to retention of title shall in all cases be deemed to be by order of the Seller, without any obligations thereby arising for the Seller. The Seller shall have title to any new object created by such processing. If goods subject to retention of title are processed, mixed, blended or compounded with other goods not belonging to the Seller, the Seller shall have co-property in the new object, in a proportion equivalent to the proportion between the value of the goods subject to retention of title and the value of the other goods at the time of processing, etc. The Purchaser transfers as of now any co-property rights arising for him in the cases mentioned in the previous sentence, to the value of the goods subject to retention of title.

7.3 The Purchaser shall be entitled, subject to the provisions of para. 7 below, to sell the goods subject to retention of title within the framework of the ordinary course of business, specifying retention of title. The Purchaser assigns to the Seller as of now and in advance all claims arising for him from any re-sale of the goods subject to retention of title or to any such goods arising from their processing, blending, mixing, or compounding. This shall apply even if the goods are sold together with other goods not belonging to the Seller at a single price. If a third party has acquired property or co-property rights to the goods by statutory regulation as a result of processing, blending, mixing or compounding, the Purchaser hereby assigns to the Seller as of now and in advance any claims arising for him against such third party. Assignments under this paragraph shall always be effected only up to the amount of the value of the goods subject to retention of title. The Purchaser shall be entitled to collect the assigned claims until such time as this is revoked, which shall be permissible at any time.

7.4 The value of the goods subject to retention of title as defined in the previous paragraphs shall always be understood as the price which the Seller charged the Purchaser for the product (invoice price).

7.5 On request by the Purchaser, the Seller shall release goods subject to retention of title to be selected at his own option, and to the extent that their value exceeds the value of the claims to be secured by more than 20%.

7.6 If the validity of retention of title is dependent on the cooperation by the Purchaser, for example for registrations that may be required by the law of the Purchaser's country, the Purchaser shall effect such action as a principal performance.

7.7 If the Purchaser is in delay with payment, the Seller may prohibit the sale of goods subject to retention of title, or the processing, compounding, blending or mixing of such goods with other goods, or their removal, and may require the Purchaser to hand over the goods subject to retention of title or the processed goods resulting therefrom. The Purchaser shall be required to give notification without delay of any attachment by third parties on goods for which rights of the Seller exist under the present provisions. The same shall apply to any claims assigned under the present provisions.

8. TERMINATION

If Buyer becomes bankrupt or insolvent or has a receiving order made against it, or enters into an arrangement with its creditors, or if a corporation, commences winding-up, or carries on business under a receiver for the benefit of creditors, or in any case where Buyer is known to be insolvent, Seller shall have the right to terminate these Conditions forthwith by serving notice thereof in writing on Buyer, Liquidator, Receiver or anyone else in respect of which these Conditions may then apply. Seller shall be entitled at any time to terminate these Conditions in whole or in part by serving notice in writing to Buyer whenever Buyer is in default of any of its obligations hereunder. Without prejudice to Seller's other rights, on termination of these Conditions, Seller shall be entitled to enter Buyer's premises or any place where Products are stored and take possession of any or all of Products. Termination of these Conditions, for any reason, shall be without prejudice to any rights the parties may have accrued prior to termination.

9. PRODUCTS LIABILITY

Seller is liable to final users for damages caused by Products, according to obligatory national and EU- Product Liability Law. In any event, Seller hereby disclaims any and all responsibility for injury or damage to persons or property caused by Products as a result of any erroneous information supplied by Buyer, any information supplied by Buyer not approved in advance and in writing by Seller regarding the use of Products, or resulting from or related to any wrong, improper or non-conforming use of Products. Buyer shall hold Seller harmless from any liability, cost or expense (including attorneys fees and costs) for damages arising from Products as a result of any modifications, alterations and/or improvements made to Products without the prior written authorization and consent of Seller. Under no circumstances shall Seller be liable to Buyer for any direct, indirect, special or consequential damages arising from these Conditions or Buyer's use of Products, except where caused by the negligent or willful neglect of Seller, its agents, employees or representatives.

10 GOVERNING LAW

These Conditions shall be governed by and construed in accordance with the UN Vienna Sales Convention of 1980 on the international sale of goods (CISG), as supplemented by the law of Norway, unless the Buyer is a national of a non-Contracting State in which case these Conditions shall be governed by and construed solely in accordance with the law of Norway, excluding conflict of laws principles. Clause no 7 on "Retention of Title", however, shall solely be governed by and construed in accordance with the law of Germany.

11. PLACE OF JURISDICTION

The place of jurisdiction for all disputes arising out of contractual relationships with Buyer, including actions relating to payment by cheque or bill, all disputes relating to the creation and/or validity of contracts and/or the place of performance of obligations arising out of the contract shall be Seller's registered domicile. Concurrent jurisdiction by other courts shall be permissible.