

HÖEGH FLEET SERVICES AS
GENERAL TERMS OF PURCHASE (Rev. 2/2008)

1. OFFER AND PURCHASE ORDERS

- 1.1 The Vendor shall give all offers free of charge. All divergences from the inquiry documents must be explicitly specified.
- 1.2 HÖEGH FLEET SERVICES AS (“HFS”) has the right to accept every offer or reject each and all offers.
- 1.3 Purchases made by HFS are as agent for the Owner of the vessel named in the Purchase Order.
- 1.4 Any Purchase Order sent by electronic means shall be regarded as signed by HFS on behalf of the vessel’s Owner.

2. CONFIRMATION OF PURCHASE ORDER

- 2.1 The Vendor to confirm the Purchase Order in writing latest 3 business days after the Purchase Order has been received (the “**PO Confirmation**”). If not confirmed, HFS has the right to cancel the Purchase Order. The PO Confirmation shall contain the total price (the “**Purchase Price**”), the price per commodity and the delivery date (the “**Delivery Date**”). Any divergences from the Purchase Order must be explicitly specified; otherwise HFS may cancel the Purchase Order.
- 2.2 If the Vendor confirms a Purchase Order received without Purchase Price, HFS reserves the right to consider the PO Confirmation as an offer up to 24 hours after receipt of the PO Confirmation.
- 2.3 The prices given in the Purchase Order and the PO Confirmation are fixed and cannot be altered, unless agreed in writing.
- 2.4 By issuing the PO Confirmation, the Vendor agrees to these general terms of purchase without any reservations. Vendor’s conditions are not accepted unless agreed to in writing by HFS.
- 2.5 The PO Confirmation and these general terms of purchase are hereinafter referred to as the “**Contract**”. In case of any discrepancy between the provisions of these general terms of purchase and the PO Confirmation, the latter shall prevail.
- 2.6 “**Deliverables**” shall mean all goods, services and documentation, as appropriate, to be delivered by the Vendor pursuant to the Contract.

3. PACKING, INSURANCE AND DELIVERY

- 3.1 Prices include all required packing and protection for shipment by air or ship, according to shipping practice.
- 3.2 The Deliverables shall be individually packed for each Purchase Order, properly labelled with complete Purchase Order number and name of vessel in English.
- 3.3 Packing lists shall contain all necessary data regarding marking, contents, number of packages, units etc.
- 3.4 The Vendor shall take out at its own expense cargo insurance covering 110% of the Purchase Price. The insurance shall not expire until the Deliverables have been received at the agreed delivery place provided that HFS has not found any defects.
- 3.5 The ordered material shall be delivered FCA, FOB or FAS at the time and place stated in the PO Confirmation, unless otherwise agreed in writing. The INCOTERMS version in force when issuing the PO Confirmation shall apply.
- 3.6 Part delivery or split invoicing is not accepted, unless agreed in writing.
- 3.7 For deliveries to be delivered directly to the Vessel, the Vendor is obliged to keep in contact with the Vessel’s agent in order to have the correct information about the Vessel’s arrival and departure.

4. DELIVERY TIME AND CONSEQUENCES FROM DELAYS

- 4.1 The Vendor shall give immediate written notice if there are reasons to assume that the Delivery Date cannot be met. The notice shall contain the reason for the delay and the approximate delay of the Delivery Date. The Vendor is responsible for the direct and indirect losses, which HFS suffers, and which could have been avoided if the Vendor had given timely notice.

- 4.2 If the delivery has not taken place at the stipulated Delivery Date, HFS is entitled to cancel the Contract unless the Vendor can prove that the delay is caused by force majeure. If delayed delivery necessitate more expensive and/or extra means of transportation than anticipated, such extra expenses to be paid by the Vendor, except in cases of force majeure.
- 4.3 In the event of delay or non-delivery, HFS is entitled to liquidated damages of 0,2% of the total contract amount for each and every day the Delivery Date is exceeded, however the penalty shall not exceed 20% of the Purchase Price. If the delay is caused by gross negligence or wilful misconduct on the part of the Vendor or someone for whom it is responsible, HFS may, at its sole option, instead of the liquidated damages, claim compensation for the losses suffered by HFS due to the delay.
- 4.4 If the Deliverables have been confirmed for a specific port and delivery has not taken place, HFS is entitled to instruct the Vendor to deliver at the next port. The Purchase Price to be adjusted in case the amended port price is cheaper.

4. REQUIREMENTS, QUALITY AND CONTROL

- 4.1 The Deliverables shall be in compliance with HFS' requirements to quality and services, applicable laws and regulations and requirements and orders of relevant certifying agencies (i.e. IMO, SOLAS, classification society, flag state and CE marking, etc.) at the time of the Delivery Date.
- 4.2 All documentation such as certificates, drawings, etc. specified, shall be considered part of the Deliverables.
- 4.3 The Vendor to have a satisfactory quality management system, suitable for the Deliverables. HFS has at all times the right to control the Vendor's and/or possible sub-contractors and their premises to make sure that the delivery is carried out according to the Contract. If at any point in time the execution of the Contract is defective or does not live up to expectation, the Vendor shall without undue delay undertake improvements which are necessary or which the HFS expects. The Vendor pays for the cost of the improvements and of the control.
- 4.4 Prior to Delivery, the Vendor shall control and ensure that the Deliverables are in accordance with the Contract.
- 4.5 The Vendor guarantees that the Deliverables in all respects meet the requirements of the Contract, and shall in addition be of high quality, incorporating first class workmanship and shall be fit for their intended purpose as stated in, or as may reasonably be inferred from, the Contract.

5. TERMS OF PAYMENT AND INVOICES

- 5.1 If not otherwise agreed, payment occurs 30 days after actual delivery.
- 5.2 Sales VAT is to be excluded on all invoices for Purchase Orders related to Vessels trading in international waters.
- 5.3 All taxes and duties, bank charges and any other charges payable shall be borne by the Vendor.
- 5.4 If advanced payment is agreed, HFS may demand a bank guarantee for the advanced amount.
- 5.5 All expenses in connection with payment of invoices to be for the Vendors account.
- 5.6 If payment is not received within agreed time, Vendor shall contact HFS accounting department before sending an invoice of interest.

6. CHOICE OF LAW AND LEGAL VENUE

- 6.1 The Contract is subject to Norwegian law.
- 6.2 Oslo Tingrett (Oslo City Court) shall settle any dispute between the parties in connection with the Contract, unless otherwise agreed in writing.