

**NORCEM SALES- AND DELIVERY TERMS.**  
**CEMENT IN BULK**

**1.0 Application of terms**

1.1 Norcem sells cement to:

1. Companies with a cement consumption of over 500 tons per year which produce concrete on an industrial basis (industry customers)
2. Cement wholesalers (traders) which do not themselves produce concrete on an industrial basis.
3. for injection, stabilising and solidifying

1.2 Purchase agreements are concluded before cement is supplied from Norcem's distribution points, based on special direct purchase terms which include credit security.

1.3 Unless otherwise agreed, these sales and delivery terms apply to ordinary repeat purchases.

1.4 Unless otherwise agreed, the terms also apply to bids for project supply.

**2.0 Offers/agreements/prices**

2.1 For industry customers and cement wholesalers with a direct purchase agreement, a supply agreement is entered into which applies to ordinary repeat purchases.

2.2 The supply agreement covers prices, payment terms, statement of supply locations and qualities.

2.3 Other price offers based on these sales and delivery terms are valid for 1 month unless otherwise agreed.

2.4 The price of all deliveries is the price on the date of delivery, unless otherwise agreed.

2.5 Cement is normally sold EXW Norcem's silo stations. Agreement may be reached on CPT delivery by Norcem's contract transporter to the customer's own cement silo at the point of delivery.

2.6 Joint purchase of cement for several companies is permitted if Norcem's customer owns at least 50% of the individual companies. This is conditional on a satisfactory credit security on the part of the buyer/customer.

**3.0 Product qualities**

3.1 The cement is supplied as specified and accepted on ordering and in accordance with prevailing legislation, regulation and specified standard provisions.

3.2 Cements produced at Norcem's factories at Kjølpsvik and Brevik are supplied exclusively with the properties stated in Norcem's quality information and product data sheet.

3.3 The quality information and product data sheets are available at [www.norcem.no](http://www.norcem.no) under customer centre and may also be sent on request.

3.4 Norcem's quality information will include the results of internal checks on the finished goods and will specifically point out any deviation from the intended qualities.

3.5 Complaints regarding quality must be substantiated with sample tests and must be presented in writing and without undue delay after the fault has – or should have been – discovered.

**4.0 Availability**

4.1 It is Norcem's goal to hold sufficient stocks for its customers. In market situations giving rise to exceptional cement consumption however, Norcem reserves the right to prioritise individual silos before others. This will not be regarded as a delay provided notification is given by Norcem in good time.

4.2 Customers are required to keep Norcem informed of their normal requirements and to give at least 14 days warning of exceptionally large collections.

4.3 Norcem devises routines for the ordering and shipment of cement and keeps its customers advised of these.

4.4 In special market situations, Norcem reserves the right to require pre-ordering of cement without prior warning. The principles of this will be notified before they come into effect.

4.5 If domestic production and/or transport capacity is inadequate for market requirements, Norcem may commence

the import of cement. Norcem will in this case strive to import cement qualities which correspond as far as possible with the cement qualities of its own production.

## **5.0**                    **Transport**

- 5.1 At the supply locations/silo stations, Norcem has agreements with transporters who can undertake bulk transport of cement to the customer's silo (Norcem's Transporters). If Norcem's Transporters are to be used, this is individually agreed with each customer.
- 5.2 Quality assurance requirements are made of Norcem's Transporters. These include requirements concerning tank cleaning, maintenance and order processing.
- 5.3 Norcem prepares instructions for bulk transport with regard to delivery date, conditions at point of delivery, environmental and other safety conditions.
- 5.4 The customer may make his own bulk transport arrangements with his own transporters.

If the customer uses his own transporter, the customer is liable for the transporter following the instructions applying to each individual silo station. Training will be given by responsible staff at the silo station.

- 5.5 Repeated damage caused by incorrect use of equipment (including ISPS) at Norcem's silo stations may lead to financial claims for making good the damage and may also lead to loss of the right to collect cement.
- 5.6 When the customer collects bulk cement in accordance with point 5.4, the customer assumes liability for logistics and quality once the cement enters the bulk carrier.
- 5.7 Clean bulk tankers are an invariable requirement for loading at the silo stations. Risk arising from polluted tankers rests with the customer, regardless.

## **6.0**                    **Delay**

- 6.1 Norcem is not liable for any delay caused by circumstances outside Norcem's control and which Norcem could not reasonably have avoided or overcome the consequences of. Circumstances which are deemed to be outside Norcem's control include epidemics, pandemics, labour disputes, traffic delays, shortage of fuel or materials, power cuts, unforeseen failure of equipment or machinery, governmental decisions, regulations or recommendations and all other circumstances which are considered to be force majeure which may cause lack of equipment, materials, goods or restricted access to labour force, or in any way hinders Norcem's business. . In such circumstances the time or date of delivery may be delayed for as long as the circumstances prevail.
- 6.2 In the event of significant delay within Norcem's control, the buyer will be entitled to demand compensation for direct losses as a consequence of the delay. In such case Norcem must be immediately notified of the claim and it should be documented without undue delay. Norcem's liability for compensation is limited to the delayed part of the delivery. Any claim by the buyer against Norcem as a result of delay will be fully and exhaustively governed by this point.
- 6.3 Norcem will without undue delay inform its customers about any delay.
- 6.4 Unless otherwise agreed, the customer must accept interruptions in the supply of the agreed quality of bulk cement of up to 48 hours. In the event of longer interruptions, Norcem will cover the documented additional costs of alternative distribution, which has been agreed in advance by Norcem, of cement at the agreed prices, if the customer cannot use another cement.
- 6.5.1 For longer supply interruptions or delays which are caused by gross negligence on Norcem's part, Norcem's liability is limited to twice the invoice value of the delayed delivery. Norcem is, in any case, not responsible for operating losses, loss of earnings, time penalties or other indirect loss unless Norcem, or someone for whom Norcem is liable, has acted with gross negligence or intent.
- 6.6 In the event of delay, the recipient will be required to take action to reduce consequential costs from the delay (duty to mitigate loss).
- 6.7 Any claims regarding delayed delivery must be given to Norcem in writing without undue delay.

6.8 During a market situation of exceptionally high withdrawal from the silos, a temporary suspension of distribution will not be considered as a delay (cf point 4.1).

### **7.0** **Acceptance of supply**

7.1 The customer is required to accept the delivery at the agreed time and place.

7.2 The customer must notify Norcem immediately if he cannot or will not accept the quantity ordered as agreed.

7.3 The customer will be liable for additional costs as a result of the customer's non-acceptance of the agreed delivery, for example if the transporter is made to wait or for onward or return transport if the capacity at the place of delivery is insufficient for the quantity ordered when the cement arrives.

### **8.0** **Checking deliveries**

8.1 The cement type is shown on the accompanying documentation. It is the customer's responsibility to check that what has been delivered agrees with the order (obligation to examine).

8.2 If the goods delivered are not in agreement with the order, the cement should immediately be returned and redelivery take place within a reasonable time of Norcem's receipt of complaint.

8.3 The complaint must be made as soon as the customer is aware, or should have been aware, of the discrepancy and in any case within 3 days. All complaints should be made in writing. Cement with alleged defects should not be used.

8.4 In the event of defects which the customer can establish occurred before delivery, Norcem's liability is limited to redelivery.

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### **9.0** **Liability**

9.1 In the event of defective delivery, Norcem's liability is limited to NOK 3 million for damage to the customer's property, products, movables or products which include the delivery as a component, unless otherwise indicated by the Product Liability Act of 23.12.1988 No. 104. The customer may in addition demand redelivery. The customer must establish that the defect existed at the time of delivery.

9.2 Norcem will not accept liability for operating losses, loss of earnings, time penalties or other indirect loss unless Norcem, or someone for whom Norcem is liable, has been guilty of gross negligence or intent.

9.3 The customer undertakes to indemnify Norcem to the extent to which Norcem's liability is limited by the foregoing points 9.1 and 9.2.

9.4 Norcem is continually developing its products and reserves the right to make changes to products with a minimum 2 months notice.

### **10.0** **Force Majeure**

If an extraordinary situation should occur which lies outside the control of the parties to this agreement and which renders impossible the fulfilment of obligations under this agreement and which according to normal law on the sale of goods must be considered force majeure, the parties obligations will be suspended for as long as the extraordinary situation endures. The other party's obligation in return will be suspended during the same period. In a force majeure situation, a party to this agreement may only cancel the agreement with the affected party's consent or if the situation continues or is considered likely to continue for more than 90 days, counted from the date the situation arose, and then only with 15 days notice. In a force majeure situation the parties have a mutual obligation to keep the other informed about all circumstances which might be considered to be of significance for the other party. Such information should be provided without undue delay.

### **11.0** **Choice of jurisdiction and forum**

This agreement is governed by Norwegian law. If any disputes should arise between the parties regarding the interpretation or legal effects of the agreement, the dispute should first be resolved by negotiation. If the dispute may not be resolved by such negotiation within three months, either of the parties may require the dispute to be resolved in the ordinary courts. Oslo District Court is adopted as the agreed forum.