

GENERAL SUPPLIER TERMS AND CONDITIONS

These General Terms and Conditions shall apply to any purchase of goods and/or services by Landsnet from suppliers.

In the cases where Icelandic laws requires businesses supplying goods and/or services to in Iceland to be registered with the Icelandic Directorate of Internal Revenue they shall do so if they supply to Landsnet.

All companies supplying goods and/or services to Landsnet shall have no outstanding duties, pension payments and other statutory expenses.

Suppliers can be expected to submit confirmation of the aforementioned on an annual basis. Suppliers that do not fulfil these requirements will not be considered 'approved suppliers' by Landsnet. Landsnet will only purchase goods/services from 'approved suppliers'.

1. GENERAL INFORMATION ON PURCHASES AND PURCHASE ORDERS

1.1 All purchases by Landsnet shall be pursuant to a Purchase Order (issued by Landsnet) or a contract with the supplier.

1.2 The absence of a Purchase Order or contract could mean that the purchase has not been officially authorised. Any products supplied by the supplier without a Purchase Order or reference to a Purchase Order can be returned in a condition resulting from the use of the product and payment can be refused.

1.3 The Purchase Order is only valid for the products and quantity of products outlined therein and does not have any contractual value beyond that, unless otherwise expressly stated.

2. INFORMATION ON PURCHASE ORDERS

2.1 The Purchase Order shall include the following:

- Product type
- Number of units
- Unit price, total price of the order and transport costs (as appropriate)
- Delivery time and delivery point

2.2 If the information on products, prices, discounts or other information stated on the Purchase Order is incorrect, please contact Landsnet's Finance Division, which will either correct or cancel the Purchase Order.

2.3 Each Purchase Order has a specific eight digit number, referred to herein as the Order Number.

3. DELIVERY POINT AND TERMS AND CONDITIONS

3.1 Products shall be delivered at the delivery point stated in the Purchase Order. Products delivered to Gylfaflöt will be received between 10:00-12:00 on Tuesdays and Thursdays. Products should be delivered to the ramp at the front of the building (not the yard). If a transport carrier is stated in the purchase order, the supplier shall, unless otherwise stated, deliver the product to the next carrier transfer station. Landsnet is not responsible for the payment of transport to the transfer station, packing costs, transaction fees or handling fees.

3.2 Landsnet reserves the right to charge suppliers for any additional costs that the company may incur as a result of the failure to deliver products to the stated delivery point, and deduct payment for purchase of goods.

4. DELIVERY TIME

4.1 The delivery time stated in the Purchase Order is based on the location of the delivery point. The supplier must inform Landsnet of a delivery time in its confirmation of the order, if the delivery time is not specified in the purchase order.

5. PACKAGING AND LABELLING

5.1 Suppliers shall package products in such a manner as to prevent any damage or deterioration of the product during transport.

5.2 All packages shall be labelled with the company name Landsnet as well as the Order Number and shall be accompanied by a copy of the invoice and/or package list where the price and contents are specified.

5.3 Dangerous products shall be packaged in an appropriate manner and labelled in accordance with the appropriate regulations. The supplier shall supply a safety information leaflet in Icelandic.

6. PAYMENT TERMS

6.1 Landsnet shall make payment to the supplier 30 days after the billing month and on the condition that invoices are received no later than the fifth day of each month.

6.2 The currency used for payment shall be the Icelandic Krona (ISK), unless otherwise agreed.

6.3 The Order Number shall be stated in all invoices. An invoice shall be provided for each order.

6.4 Bank details and the account number of the payee must appear in the invoice. If any changes are made to information from suppliers, such as identification number or bank account number, please contact Landsnet's Finance Division: Email: bokhald@landsnet.is

6.5 Landsnet will not pay any transaction fees or other similar charges.

6.6 Landsnet accepts electronic invoices. Electronic invoices should be accompanied by notification of the fact to bokhald@landsnet.is.

6.7 Landsnet shall be notified (bokhald@landsnet.is) of any invoices sold to a third party or billing company i.e. the invoice is not paid directly to the payee.

6.8 A lack of the aforementioned information can result in late payment. Landsnet will not incur any costs as a result of this.

7. GENERAL INFORMATION ON INVOICES

7.1 Invoices sent via post shall be addressed to:

Landsnet hf
Gylfaflöt 9
112 Reykjavík
Iceland

7.2 Electronic invoices (scanned invoices) shall be sent to bokhald@landsnet.is

7.3 Notification of electronic invoices shall be sent to bokhald@landsnet.is

8. RETURNS POLICY

8.1 Landsnet reserves the right to return any goods to the supplier within 30 days of receiving the goods and on the condition that the goods remain unused and in their original packaging.

8.2 This does not apply to any goods specially ordered by Landsnet, unless the product does not meet the requirements and product description outlined by the supplier before the order was placed.

9. INSURANCE

9.1 Landsnet is covered by a general insurance of goods in transit from the point of delivery.

9.2 Landsnet does not pay any specific insurance to suppliers for goods delivered by the supplier to the delivery point.

10. ORDER CONFIRMATION

10.1 Orders shall be confirmed in writing via email: pantanir@landsnet.is within one working day of the date of the order.

11. PARTIAL DELIVERY

11.1 Partial delivery of a product is not permitted without the consent of Landsnet's Finance Division. Any partial delivery carried out without consent will be considered a final delivery of the product and will be classified as a 'nonconformance' order.

12. SERVICE ACCOUNTS

12.1 All invoices submitted to Landsnet for construction or maintenance projects shall make reference to the order or contract number. A separate invoice shall be submitted for each project.

12.2 Invoices will not be approved unless accompanied by specific supporting documents: Approved timesheets, material reports or other documents relevant to the payment of the invoice and in accordance with the contract.

12.3 Invoices must clearly identify work carried out and/or materials, including value added tax. The invoice shall also separate the total cost of work, material and the total number of hours worked. A sales invoice shall be issued in the month that work is carried out.

13. BREACH OF CONTRACT

13.1 Suppliers shall inform Landsnet of any potential breach of contract with regard to the suppliers obligations, as outlined in the Purchase Order and the conditions described therein.

13.2 Landsnet reserves the right to terminate Purchase Orders where the Supplier is in serious breach of contract.

14. FORCE MAJEURE

14.1 Neither party shall be liable to the other party when prevented from performing any of the obligations outlined in the Purchase Order in the event of circumstances that cannot be reasonably anticipated or controlled (Force Majeure).

14.2 A Force Majeure can only be declared when the circumstances preventing the fulfilment of the obligations outlined in the Purchase Order are not caused by the party declaring the Force Majeure and occurred after the Purchase Order was issued or confirmed.

14.3 The term 'Force Majeure' includes war, military occupation, revolution, revolt, riots, mobs, vandalism, fire, transport bans, etc.

15. TRANSFER OF RIGHTS

15.1 A purchase Order issued by Landsnet cannot be transferred to a third party (in part or in total) without the written consent of Landsnet's Finance Division.

16. PRICE CHANGES

16.1 Landsnet's Finance Division shall be notified of any and all price changes with at least one month's notice.

17. SAFETY REQUIREMENTS

17.1 Landsnet requires all supplier employees, entering Landsnet's premises to fulfil requirements pertaining to safety gear, including safety clothing, helmets, safety glasses, etc. All suppliers are expected to regularly familiarise themselves with the document 'Safety in the Workplace', available on Landsnet's webpage: www.landsnet.is

18. TERMS OF EMPLOYMENT

The Supplier shall comply with the laws and regulations that apply to the interaction of persons within the labour market. The Supplier shall ensure and guarantee that all employees, whether employed by suppliers, subcontractors or employee leases, receive salaries and

terms of employment in accordance with current collective agreements and the legal requirements of their profession or field of employment. The above shall apply regardless of the length of the employee's period of employment. The terms of employment include sickness and accident insurance and other agreed rights stipulated by the collective agreement.

The Supplier shall be able to demonstrate that all the aforementioned rights and obligations are met. The Supplier shall provide data that Landsnet considers sufficient to demonstrate that the above rights and obligations are met within 10 calendar days of the date of request. Statements from the competent parties can be considered sufficient proof, such as, for example, confirmation from the relevant trade union staff. If data is not delivered within that time or the supplier cannot demonstrate that the above rights or obligations are met, then Landsnet may remove suppliers from their list of approved Landsnet suppliers. Landsnet reserves the right to withhold payment due to any default of payment to employees and reserves the right to allocate payments to the victim / employee in consultation with the relevant trade union, as appropriate.

19. JURISDICTION

18.1 Any disputes arising from these terms and conditions shall be directed to the District Courts of Iceland (Reykjavík).

These Terms and Conditions shall apply to all and any purchases of products and services in Iceland, by Landsnet from the 1st of January, 2018. The latest version of this document can be accessed at www.landsnet.is