



KONGSBERG

General Conditions for Professional Services

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INITIALS

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1. GENERAL

- 1.1 These General Conditions for Professional Services (“**General Conditions**”) shall apply unless otherwise agreed In Writing between the Parties.
- 1.2 SELLER’s general terms and conditions, exceptions, qualifications, or other terms and conditions shall not apply, unless explicitly accepted In Writing by BUYER.

2. DEFINITIONS

“**SELLER**” shall mean the company or person stated as such in the Purchase Order.

“**BUYER**” shall mean the company stated as such in the Purchase Order.

“**Party**” shall mean either SELLER or BUYER.

“**Parties**” shall mean both SELLER and BUYER.

“**Contract**” shall mean the written contract between the Parties for the performance of the Services, consisting of these General Conditions and any other Contract Documents.

“**Contract Document**” shall mean any document explicitly made part of the Contract.

“**Services**” shall mean all services, work, deliverables, reports, documents, drawings, information, results, conclusions, solutions, advises, methods or evaluations, delivered or performed by SELLER under the Contract.

“**Specifications**” shall mean the specification of the Services. The Specifications may be included in the Purchase Order or in any other of the Contract Documents.

“**Delivery Schedule**” shall mean the schedule which specifies the time for delivery, performance, partial performance or partial delivery, as applicable. The Delivery Schedule may be included in the Purchase Order or in any other Contract Document.

“**Purchase Order**” shall mean a request for the performance of the Services, issued In Writing.

“**Order Confirmation**” shall mean a document issued by SELLER In Writing using BUYER’s form as attached to the Purchase Order, in which SELLER declares and undertakes to perform the requested Services according to the Contract.

“**Purchase Order Price**” shall mean the total price specified in the Purchase Order which is subject to adjustment in accordance with Article 8 only and which shall constitute full compensation to SELLER for the Services, including all costs, expenses, taxes (excluding VAT) unless otherwise is explicitly stated in a Contract Document, duties, fees or charges of any kind incurred by or levied on SELLER related to the performance of the Purchase Order and the provision by SELLER of the Services.

“**Day**” shall mean calendar day.

“**Force Majeure**” shall mean an occurrence beyond the control of the Party affected impeding the performance of its obligations under the Contract, provided that such occurrence could not have been reasonably foreseen at the time of entering into the Contract and that the Party affected could not reasonably have avoided or overcome it or its consequences, including but not limited to, act of God, act of public enemy, war, blockage, strike on a national level, riot, lightning, fire, storm, flood, explosion, and Government restriction.

“**In Writing**” shall mean a document signed by BUYER and/or SELLER and submitted to the other Party either by hand, courier service, letter, fax, or pdf-attachment to an e-mail.

“**Open Source**” shall mean any software, which is subject to license terms and conditions currently listed at <http://opensource.org/licenses/> or meeting the criteria listed at <http://opensource.org/docs/definition.php> or which is subject to any similar free or open source license terms.

“**Intellectual Property**” shall mean all work of authorship, procedures, designs, patented and unpatented inventions and discoveries, mask works, drawings, specifications, plans of operation, technical documentation, samples, models, tools, test equipment, copyrighted works, registered and unregistered trademarks, trade secrets, know-how, and proprietary information, in all formats, languages, and versions.

“**Intellectual Property Rights**” shall mean all right, title, and interest in or to any Intellectual Property, in all territories, under all applicable bodies of law (including, without limitation, under the laws of copyright, patent, trademark, trade usage, and trade secrets), and all applications, registrations, renewals, extensions, restorations, and resuscitations relating to any of the foregoing.

“**Proprietary Information**” shall mean all technological, financial, commercial, or other information or data of a proprietary or confidential nature in any form or format (e.g. written, electronic, visual, oral, or otherwise).

3. PURCHASE ORDER

- 3.1 The Purchase Order to which these General Conditions apply is BUYER’s offer and shall become a Contract only upon full and unconditional acceptance by SELLER and in strict accordance with these General Conditions.
- 3.2 SELLER shall within seven (7) Days after receipt of a Purchase Order return the Order Confirmation to BUYER. SELLER shall be bound by the Purchase Order upon actual adherence thereto, but if SELLER fails to return an Order Confirmation to BUYER within the time specified herein, together with any extensions that may be granted by BUYER in its sole discretion, or if the Order Confirmation returned by SELLER to BUYER does not comply with the Purchase Order, these General Conditions or what is otherwise agreed with BUYER, BUYER reserves the right to cancel the Purchase Order without cost and/or obligation.
- 3.3 The contact person(s) designated by BUYER in the Purchase Order or otherwise In Writing by BUYER is/are the point(s)-of-contact for SELLER during the execution of the Contract, and all communication and documents relating to the Contract that are required to be transmitted In Writing to BUYER shall be addressed to BUYER and specifically addressed to attention of such point-of-contact(s).

4. PURCHASE ORDER PRICE

- 4.1 Unless otherwise specified in the Contract, the Purchase Order Price shall be firm-fixed. The Purchase Order Price shall include all work, products, supplies, services, or other elements of the Services necessary for the correct and complete performance of the Services, together with costs of commercial packaging, courier and travel costs, accommodation and meals, out-of-pocket expenses, administrative charges, or any other costs or expenses on part of SELLER that are necessary for complete performance of the Services.

5. PERFORMANCE OF THE SERVICES

- 5.1 SELLER shall perform the Services in accordance and conformity with the Contract, including the Specifications and the Delivery Schedule.
- 5.2 SELLER shall as an expert perform the Services in a diligent and skilful manner in compliance with applicable industry standards and in compliance with applicable laws and regulations pertaining to the performance of the Services.
- 5.3 SELLER shall perform the Services in a safe and secure manner with active regard to and in compliance with national health, environmental and safety laws, regulations, and instructions.
- 5.4 SELLER will be solely responsible for determining all matters of detail as to the manner in which the Services are performed, and for ensuring that all work done hereunder is of an objectively acceptable quality.
- 5.5 SELLER warrants that he has all necessary means and resources in order to ensure the due and proper fulfilment of the Services, and that no other work SELLER undertakes will affect the timely and proper performance of the Services.
- 5.6 SELLER warrants having in place all authorisations and approvals required to perform the Services, including necessary authorisations and approvals pertaining to SELLER's performance of the Services, and having in place adequate and proper quality assurance systems for the due and proper performance of the Services.
- 5.7 BUYER may at its sole discretion, and in order to facilitate SELLER's performance of the Services, provide SELLER with relevant information and documentation relating to the Services. BUYER's failure or delay in providing such information shall not give SELLER any rights or claims under the Contract, nor shall such delay or failure be used by SELLER as an excuse for failure to perform its obligations under the Contract.
- 5.8 SELLER shall continuously monitor the availability of resources necessary for the performance of the Services. If SELLER becomes aware of a potential change in the availability of resources, SELLER shall immediately notify BUYER In Writing of such change. Without prejudice to SELLER's obligations to perform as originally agreed under the Contract, SELLER shall immediately present to BUYER a plan for how to resolve the issue. BUYER reserves the right, in its sole discretion, to decide how the issue shall be resolved.

6. RELATIONSHIP AND NO POWER OF AUTHORITY

- 6.1 SELLER understands and acknowledges that nothing in the Contract shall be deemed to constitute a relationship of employer and employee falling within the scope of any employment law. Nor shall the Contract be deemed to establish a business partnership between the Parties.
- 6.2 SELLER shall not act as a legal representative of BUYER for any purpose whatsoever and have no power of authority or authorization for representation to incur or create any obligation or liability of any kind for on behalf of SELLER.
- 6.3 SELLER shall have no right, power or authority to enter into any contract with any person, firm, or corporation that shall purport to bind BUYER in any manner whatsoever.
- 6.4 SELLER has no right, power, or authority to accept summons or any legal process for or on behalf of BUYER.
- 6.5 SELLER shall not be entitled to receive or collect payment for BUYER from BUYER's customer or others, unless expressly authorized to do so by BUYER In Writing, and when so authorized, SELLER must transmit the funds to BUYER without undue delay.

7. RELIANCE

- 7.1 SELLER represents and warrants that it is an expert fully competent in all phases of performing the Services, and SELLER agrees that BUYER is relying on such representation and warranty by SELLER.
- 7.2 SELLER shall not be relieved of any of its contractual obligations on the grounds that BUYER approved any specification, plan, or other documentation prepared by SELLER, or that BUYER provided recommendations or assistance in any phase of the Services.
- 7.3 In order to ensure successful performance of the Services, SELLER shall as an expert make good faith review of all Specifications, requirements, designs, tools, models, technical data, or other documentation when such is provided by BUYER to SELLER. SELLER shall forthwith notify BUYER In Writing of any missing documentation, deficiencies, discrepancies, or concerns that SELLER identifies in connection herewith.

8. CHANGES

- 8.1 BUYER may In Writing, at any time, instruct changes to the Services (“**Change Order**”).
- 8.2 If any Change Order causes an increase in the cost and/or time required for SELLER’s performance of the Contract, SELLER may request an equitable adjustment to the Purchase Order Price and/or Delivery Schedule. Any such request for equitable adjustment must be submitted to BUYER In Writing within fourteen (14) Days, unless otherwise extended by BUYER In Writing, following receipt of a Change Order to retain its validity. SELLER’s request for equitable adjustment must identify the actions SELLER shall undertake to implement the change and identify and document the adjustments to the Purchase Order Price and/or the Delivery Schedule to which SELLER considers it is entitled as a result of the change.
- 8.3 Unless otherwise agreed upon between the Parties, the adjustment to the Purchase Order Price shall be determined on the basis of the following principles:
- (i) by the application of the unit prices and/or rates set forth in the Contract; or
 - (ii) if the Contract does not contain prices applicable to a specific change, suitable adjustment shall be agreed upon reflecting the general level of pricing prescribed in the Contract.
- 8.4 SELLER shall without undue delay implement a Change Order when it has been received, even if the Parties have not reached a final agreement on the adjustment to the Purchase Order Price and/or the Delivery Schedule. Until the Parties have reached an agreement, BUYER shall pay to SELLER the undisputed amount.
- 8.5 If SELLER considers that any statement or conduct of BUYER constitutes or orders a change to the Contract, SELLER shall In Writing identify the nature of such statement or conduct and the manner in which SELLER’s performance of the Services is considered by SELLER to be changed. Failure to issue such a notice to BUYER within fourteen (14) Days shall have the effect that SELLER’s performance is not subject to an adjustment to the Purchase Order Price and/or Delivery Schedule. If BUYER agrees that such statement or conduct constitutes a change, BUYER shall without undue delay issue a Change Order. If BUYER does not agree that such statement or conduct constitutes a change but is actually a current requirement of the Contract, SELLER shall diligently proceed with the Services as directed by BUYER.

- 8.6 Disputes under this Article 8 which is not amicably resolved must be brought for the arbitration court in accordance with Article 34 within six (6) months, to retain its validity, from the claim for adjustment of the Purchase Order Price and/or the Delivery Schedule was first raised. Failure to comply herewith shall have the effect that SELLER's performance is not subject to an adjustment to the Purchase Order Price and/or Delivery Schedule.

9. DELAYED PERFORMANCE OF THE WORK

- 9.1 SELLER is in delay if performance of the Work not achieved in accordance with the Delivery Schedule.
- 9.2 In case of delay, BUYER shall be entitled to liquidated damages amounting to five-tenths of one per cent (0.5%) of the total Purchase Order Price for each Day of delay. If only part of the Services is delayed, the liquidated damages shall be calculated on the basis of the price of the Services which cannot be used as intended due to the delay. In no event shall the liquidated damages exceed twenty per cent (20%) of the total Purchase Order Price.
- 9.3 Liquidated damages hereunder shall be BUYER's sole monetary remedy in the event of delay on part of the SELLER except for termination for default under Article 12 and except for gross negligence or wilful misconduct on part of SELLER. If the delay is caused by gross negligence or wilful misconduct on part of SELLER, BUYER may claim damages for actual losses in excess of the liquidated damages.

10. FORCE MAJEURE

- 10.1 Either Party shall be entitled to suspend performance of its obligations under the Contract for reasons of Force Majeure.
- 10.2 The affected Party shall notify the other Party In Writing as soon as it becomes aware of any potential or actual Force Majeure event, and shall without undue delay provide sufficient documentation that the affected Party could not reasonably have avoided or overcome it or its consequences.
- 10.3 If performance of the Contract has been suspended under this Article 10 for more than six (6) months, either Party shall be entitled to terminate the Contract by notice In Writing to the other Party, and BUYER shall make payment for the part of the Services performed until such time of termination.

11. TERMINATION FOR CONVENIENCE

- 11.1 BUYER may at any time and for any reason (whether SELLER is in default or not) without liability terminate the unperformed parts of the Contract in whole or in part by notice In Writing four (4) weeks in advance, specifying the part of the Services to be terminated and the effective date of the termination.

12. TERMINATION FOR DEFAULT

- 12.1 BUYER shall be entitled to terminate the Contract, or any part of the Services thereof, for default with immediate effect by notice In Writing to SELLER in the following circumstances:
- (i) SELLER materially fails to perform any of its obligations under the Contract, or fails to make progress so as to endanger the performance of the Contract, and, in either case, fails to remedy and cure such failure within thirty (30) Days after SELLER's receipt of written notice specifying the failure; or
 - (ii) SELLER suspends its business, or becomes the subject of bankruptcy, insolvency, liquidation, winding-up, receivership or analogous proceedings or events, or there are otherwise reasonable grounds to assume the occurrence of such events.

- 12.2 SELLER shall diligently proceed with the performance of the Services not terminated by BUYER.
- 12.3 BUYER shall in case of termination for default be entitled to reclaim all corresponding payments made of the Purchase Order Price. In addition, BUYER shall be entitled to compensation for the documented direct costs and expenses, hereunder any excess procurement costs, resulting from the termination.

13. PASSING OF TITLE AND RISK

- 13.1 Title to any deliverables shall pass to BUYER upon delivery according to the agreed trade term (INCOTERMS 2010). Unless otherwise stated in the Purchase Order or any Contract Document, terms of delivery shall be DAP BUYER's premises.

14. PAYMENT AND GUARANTEES

- 14.1 SELLER's invoices shall be issued according to the Purchase Order.
- 14.2 If the Services has been performed satisfactorily in accordance with the terms hereof, BUYER undertakes to pay SELLER's invoice(s) within sixty (60) days of its receipt. BUYER reserves the right to make setoff against payments due or at issue under the Contract or any other contract with SELLER. All payments shall be made by wire transfer to a bank account in SELLER's country. Such compensation by BUYER to SELLER is deemed to be full and final payment for the performance of the Services.
- 14.3 No payment made by BUYER shall relieve SELLER from its obligations under the Contract, or be construed as a waiver of any of BUYER's rights under the Contract, or be regarded as constituting acceptance by BUYER of the Services.
- 14.4 If advance payments are agreed upon, SELLER shall, at no additional cost to BUYER, within thirty (30) Days following request In Writing from BUYER provide a simple on demand guarantee issued by a bank and in a format acceptable to BUYER for a corresponding amount valid until Completion.

15. INDEMNITIES

- 15.1 Each Party shall indemnify and hold harmless the other Party, the other Party's affiliated entities, subcontractors, their respective agents, and employees thereof from and against all claims, damages, losses, and expenses in respect of:
- (i) bodily injury, sickness, diseases, or death of any employee of the indemnifying Party; and
 - (ii) loss of or damage to the property of the indemnifying Party; and
 - (iii) bodily injury, sickness, diseases, or death, and loss of or damage to the property of any third party, caused by the indemnifying Party, its affiliated entities, the indemnifying Party's subcontractors, their respective agents, and employees thereof;
- arising from or related to the performance of the Contract.

16. INTELLECTUAL PROPERTY

- 16.1 SELLER hereby transfers to BUYER all Intellectual Property Rights in or to the Services performed, including but not limited to the right to amend, further develop, transfer, and sublicense.
- 16.2 SELLER shall only be entitled to re-use general know-how obtained during the performance of the Services, provided that such re-use reflects a loyal adherence to the confidentiality and no-use obligations set forth in the Contract. SELLER is granted no other rights than set forth in this Article 16.2.

17. TOOLS, MODELS AND BUYER FURNISHED PROPERTY

- 17.1 Unless otherwise stated in the Contract, SELLER is responsible for the procurement of necessary tools and models at its own cost and expense.
- 17.2 Tools and models which by agreement shall be paid for by BUYER shall be the sole property of BUYER. Such tools and models shall be used exclusively by SELLER for the performance of the Contract. SELLER shall clearly mark all such tools and models to show its ownership.
- 17.3 BUYER may provide SELLER with equipment, material, or any other property owned by either BUYER or a third party ("**Buyer Furnished Property**"). Buyer Furnished Property shall be used exclusively by SELLER for the performance of the Contract. Title to Buyer Furnished Property shall remain with its rightful owner. Without cost to BUYER, SELLER shall clearly mark (if not so marked) all Buyer Furnished Property to show its ownership, and maintain adequate control records, and SELLER shall manage, maintain, and preserve Buyer Furnished Property in accordance with good commercial practice.
- 17.4 When the Contract is completed or otherwise terminated, BUYER has the right to regain or take possession of any such tools, models and Buyer Furnished Property, or otherwise to freely have them at its disposal.
- 17.5 Notwithstanding the value of the Purchase Order Price paid or to be paid by BUYER for the Services, SELLER shall be solely responsible for all loss of or damage to any such tools, models and Buyer Furnished Property in SELLER's possession or custody, and shall at BUYER's instruction promptly replace at its own cost and expense any such tools, models and Buyer Furnished Property, or to refund all of its value.

18. THIRD PARTIES' RIGHTS

- 18.1 SELLER shall hold harmless, defend, and indemnify BUYER against any claim alleging that any part of the Services infringes any third party Intellectual Property Rights. SELLER's obligation to hold harmless, defend, and indemnify BUYER shall not apply to Services performed by SELLER pursuant to detailed designs developed, furnished, or provided by BUYER to SELLER.
- 18.2 In case of such claim of infringement from a third party, SELLER shall at its own cost either:
- (i) arrange a settlement granting BUYER the right to use the Services; or
 - (ii) change or amend the Services so that the alleged infringement ceases, provided that the change is such that it may reasonably be accepted by BUYER; or
 - (iii) replace the Services by similar or interchangeable work which does not infringe any third party Intellectual Property Rights, provided that the replacement is such that it may reasonably be accepted by BUYER.

18.3 SELLER warrants that the Services is free from any liens, attachments, charges, encumbrances, claims, or the like, and undertakes to hold harmless, defend, and indemnify BUYER from and against any claims related thereto.

19. OPEN SOURCE

19.1 SELLER warrants that no part of the Services include, is integrated, bundled or linked with any software that is based upon Open Source. No deviation from this warranty shall be regarded as validly accepted by BUYER; unless and to the extent SELLER:

- (i) explicitly and conspicuously has listed any and all Open Source based software with a brief description of their function separately; and
- (ii) duly provided BUYER with this information In Writing together with correct versions of all relevant license terms and conditions; and
- (iii) thereafter obtained an explicit complete and corresponding acceptance for the deviation In Writing from an authorised BUYER representative, included as part of each relevant Purchase Order from BUYER where such a deviation is regarded as made.

19.2 SELLER shall hold harmless, defend and indemnify BUYER from and against any claims, costs, losses and damages resulting from a breach of this warranty.

20. LIMITATION OF LIABILITY

20.1 Except for gross negligent or wilful acts or omissions on either Party, their employees, subcontractors, or representatives, neither SELLER nor BUYER shall be liable to the other for any loss of profit, loss of use, loss of production, loss of contracts, attorney's fees, or for any indirect, consequential or special damages whatsoever that may be suffered by the other.

20.2 Except for gross negligent or wilful acts or omissions on either Party, their employees, subcontractors, or representatives, the total cumulative liability to the other Party whether in contract or tort shall be limited to the amount of the total Purchase Order Price.

20.3 For avoidance of doubt, the limitation provisions of this Article 20 shall not apply to the indemnity provisions of Articles 15, 18, and 19.

21. INSURANCE

21.1 SELLER shall maintain at its own cost and expense all necessary insurances required for and adapted to SELLER's operations for the performance of the Services or which is otherwise proper in connection with the Contract. SELLER shall ensure that the insurance company waives all rights of subrogation against BUYER. Whenever requested by BUYER, SELLER shall provide insurance certificates which documents that the insurance requirements are fulfilled.

21.2 BUYER's insurance policies (including worker's compensation, life, disability, medical, and travel) do not apply to SELLER or to the Services performed under the Contract, except to the limited extent that they would in any event protect members of the general public when visiting BUYER's premises.

22. PUBLICITY AND CONFIDENTIALITY

- 22.1 Unless and to the extent required by mandatory laws and regulations, SELLER shall not publicize the Contract or the subject matter thereof in whole or in part without the prior written consent of BUYER.
- 22.2 The following provisions shall apply if and to the extent it does not contradict the provisions of any applicable confidentiality agreement or similar agreement between the Parties:
- (i) The receiving Party shall treat as confidential and shall not disclose Proprietary Information received from the disclosing Party to any third party, and shall restrict access to such Proprietary Information to those of its employees who have a need-to-know the same to perform the Services in support of the Contract.
 - (ii) Proprietary Information received from the disclosing Party shall remain the property of the disclosing Party, and shall be promptly returned to the disclosing Party together with any copies made thereof, upon the disclosing Party's demand In Writing, when the Contract is completed or otherwise terminated.
 - (iii) The duty of confidentiality does not apply to Proprietary Information which the receiving Party can prove by documentary evidence:
 - a. is already known to the receiving Party at the time of disclosure, free from any obligations to hold such information in confidence; or
 - b. is independently developed by the receiving Party; or
 - c. has become publicly known through no improper act by or on behalf of the receiving Party; or
 - d. is rightfully received from a third party without restrictions; or
 - e. is approved for release or use by the disclosing Party's prior authorization In Writing.
 - (iv) The provisions of this Article 22.2 shall survive the completion or termination of the Contract for a period of ten (10) years.

23. AUDIT RIGHTS

- 23.1 Subject to any restrictions placed upon SELLER in accordance with Articles 26 and 27, BUYER, its customer, and any representative appointed by them shall at any time, at no extra cost or expense, during normal working hours have the right to:
- (i) for a period of five (5) years following Completion of the Services hereunder, audit SELLER's and its subcontractors' financial records relating to any performance of Services that was performed on a cost-reimbursable basis; and
 - (ii) for the duration of the Contract, visit SELLER's and its subcontractors' premises for the purpose of: (a) conducting technical audits, testing and inspections; or (b) conducting quality assurance audits, testing and inspections; or (c) verifying that the Services is compliant with the Specifications and other requirements of the Contract.
- 23.2 No audits, tests, inspections, or supervisions shall exempt SELLER from its performance obligations under the Contract. Neither BUYER's rights nor SELLER's obligations are in any way diminished if BUYER does not carry out such audits, tests, inspections, or supervisions.
- 23.3 SELLER shall reasonably assist BUYER when such audits, tests, inspections, or supervisions are requested, and SELLER shall place the necessary test equipment and suitable work-area at the disposal of the inspectors at no extra cost or expense to BUYER.

24. OFFSET CREDIT/COOPERATION

- 24.1 All offset or counter trade credit value resulting from the Contract shall accrue solely to the benefit of BUYER. BUYER shall, to the exclusion of all others, be entitled to all domestic and foreign offset credits, or other similar benefits, which may result from the Contract. Under no circumstance can SELLER use these credits/benefits towards any other entities than BUYER. BUYER reserves exclusive right to apply the value of foreign content in the Services to the offset program of choice.
- 24.2 SELLER shall at no extra cost or expense to BUYER diligently assist BUYER in the fulfilment of any foreign offset and counter trade obligations on BUYER. Such assistance may include, but is not limited to, providing BUYER with the necessary documentation to claim offset domestically and internationally. Upon request In Writing, SELLER shall provide information to BUYER of the countries of origin and percentages of foreign content of the Services. For the purpose of fulfilling BUYER's offset requirements, SELLER may be requested to provide further required information, including identification of suppliers, contact person, and price of the foreign content of the Services. Such detailed information shall be used by BUYER for the sole and exclusive purpose of fulfilling BUYER's offset requirements.

25. SUPPLIER CONDUCT PRINCIPLES

- 25.1 SELLER commits itself to conduct its business activities in a fair, honest, responsible, ethical, and lawful manner and in strict adherence to all applicable laws and regulations governing the ethical and legal conduct of business organizations.
- 25.2 SELLER has been provided a copy of the Supplier Conduct Principles of Kongsberg Gruppen ASA (KOG-DIR-0038) or has been informed that these Supplier Conduct Principles are available at www.kongsberg.com. The Supplier Conduct Principles shall form an integral part of the Contract, and SELLER is expected to comply with or actively pursue compliance with these principles.
- 25.3 SELLER shall always be obliged to:
- (i) document compliance with the requirements set forth above; and
 - (ii) allow BUYER, BUYER's customer, or a third party appointed by BUYER or BUYER's customer the right to conduct such audits as it finds necessary to verify compliance with the requirements of this Article 25. For the avoidance of doubt the audit rights shall include:
 - a. unrestricted access to all production sites and premises; and
 - b. the right to communicate with and interview employees and other personnel; and
 - c. the right to review pertinent documentation or any other relevant material.
- SELLER shall ensure that any of SELLER's lower tier suppliers may also be subject to such audits as described above.
- 25.4 The Parties shall carry their own costs incurred in relation to performance of such documentation and audit.

26. EXPORT CONTROL

- 26.1 SELLER shall properly notify BUYER of the applicable classification(s) of the Services and if any part of the Services is subject to export control laws or regulations or similar applicable restrictions.
- 26.2 Regardless of any agreed trade term, SELLER shall always be responsible for obtaining and maintaining required export licenses for performing, exporting and transporting (if applicable) the Services to BUYER. If any documentation is required from BUYER, BUYER shall reasonably assist obtaining such documentation.

27. COMPLIANCE WITH LAWS AND REGULATIONS

- 27.1 Either Party shall comply with all applicable mandatory laws or regulations which affect their rights and obligations under the Contract.
- 27.2 The Parties agree that should any provision of the Contract violate any applicable mandatory laws or regulations, such provision shall be deemed severable and modified to the extent necessary to comply with such applicable mandatory laws or regulations.

28. SECURITY REQUIREMENTS

- 28.1 BUYER's Chief Security Officer (or any other of BUYER's personnel, if so delegated and appointed) shall be SELLER's single-point-of-contact regarding any security matters related to SELLER's performance of the Services.
- 28.2 Access to BUYER's premises and information is restricted by BUYER's security requirements, which shall ensure compliance with (i.a.):
- (i) The Norwegian Security Law ("Sikkerhetsloven") and the Norwegian Security Regulations ("Sikkerhetsforskrifter"); and
 - (ii) Security guidelines ("Sikkerhetsveiledninger") from the Norwegian Security Authority ("Norsk Sikkerhetsmyndighet"); and
 - (iii) Export control laws and regulations, including the International Traffic In Arms Regulations ("ITAR"); and
 - (iv) BUYER's internal security policies and procedures.
- 28.3 For the duration of the performance of the Services, SELLER agrees to comply with all procedures and restrictions following BUYER's security requirements.
- 28.4 If deemed necessary by BUYER, any of SELLER's personnel performing Services shall obtain a valid security authorization from BUYER. A security authorization will normally require a valid security clearance granted by the Norwegian Government.
- 28.5 Information regarding country of birth, citizenship(s), country of residence, as well as other relevant information, will normally be required for BUYER to perform a security authorization.
- 28.6 Prior to obtaining a security authorization, SELLER's personnel shall receive necessary security training and personally sign a secrecy agreement with BUYER. The duration of the secrecy agreement with BUYER will be stated in such secrecy agreement, and may survive termination of the Contract. The time required for the Norwegian Government to perform their security assessment and grant a security clearance is not under BUYER's control and may vary from case to case.
- 28.7 If SELLER's personnel at any given time should fail to obtain security clearance, or such security clearance should be withdrawn or otherwise become ineffective after commencement of the Contract, then BUYER has the right to terminate the Contract with immediate effect without cost and/or obligation.
- 28.8 If SELLER is responsible for obtaining security clearance for SELLER's personnel, then SELLER shall in writing notify BUYER no less than four (4) weeks prior to the expiration date of such security clearance.

29. ACCESS TO BUYER'S PREMISES

- 29.1 All of SELLER's personnel performing Services at BUYER's premises shall at all times carry a valid access control card issued by BUYER. Access may be granted by BUYER on a "need-to" basis. The access control card is personal, and shall under no circumstances be given to or used by any another

person. Any loss of the access control card shall immediately be notified to BUYER. Access to BUYER's premises will be granted during normal working hours 07:00 to 17:00.

29.2 In some areas, access may not be granted without an escort by BUYER's personnel.

29.3 Detailed working plans and schedules shall be approved by BUYER's Chief Security Officer (or any other of BUYER's personnel, if so delegated and appointed).

30. DEVIATIONS FROM BUYER'S SECURITY REQUIREMENTS

30.1 Any deviations from BUYER's security requirements shall be approved in writing by BUYER's Chief Security Officer (or any other of BUYER's personnel, if so delegated and appointed).

31. REPORTING OF SECURITY RELATED ISSUES

31.1 An important part of BUYER's preventive security measures is detection and reporting of security incidents. Any security related issues shall immediately be reported to BUYER's Chief Security Officer (or any other of BUYER's personnel, if so delegated and appointed).

32. CONSEQUENCES OF NEGLIGENCE OR FAILURE TO COMPLY WITH BUYER'S SECURITY REQUIREMENTS

32.1 In case of SELLER's negligence or failure to comply with BUYER's security requirement, BUYER reserves the right to terminate the Contract with immediate effect and without cost and/or obligation. Alternatively, at BUYER's sole discretion, SELLER may at its own cost and expense be required to replace any non-compliant personnel.

32.2 SELLER shall indemnify and hold harmless BUYER from all claims, damages, losses and expenses arising from or related to SELLER's negligence or failure to comply with BUYER's security requirements.

33. ASSIGNMENT OF CONTRACT AND SUBCONTRACTING

33.1 SELLER shall not subcontract any major part of the Contract without the written approval of BUYER. Regardless of any subcontracting, SELLER shall remain fully and solely responsible to BUYER for the performance of the Contract and shall be responsible for any act, default, or neglect of its subcontractor as fully as if they were made by SELLER.

33.2 SELLER shall not assign the Contract to any third party without the prior written consent by BUYER. SELLER shall, however, have the right to assign its claim for payment under the Contract to any third party, provided prior written notice to BUYER. Any assignee or successor shall comply with the Contract as if it was the original Party hereto, and BUYER shall retain any and all claims, rights of deductions, price adjustments, or settlements made with SELLER.

34. DISPUTES AND APPLICABLE LAW

34.1 The Contract shall be governed and construed by the substantive laws of the Kingdom of Norway, excluding any choice of law rule.

34.2 Any dispute, controversy or claim arising out of or relating to the Contract, or the breach thereof, shall be finally and exclusively settled by arbitration pursuant to the provisions of this Article 34, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Before arbitration proceedings are commenced, the Parties shall endeavour to resolve the dispute amicably through negotiations between high-level executives of the Parties. If such negotiations are not successful after a period of sixty (60) Days from a claim In Writing for such

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negotiations from either Party, either Party has the right to refer the dispute to final settlement through arbitration pursuant to the applicable Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL Arbitration Rules). The International Bar Association (IBA) Rules on the Taking of Evidence in International Arbitration shall apply. The arbitration tribunal shall consist of three (3) arbitrators. The arbitration shall be conducted in the English language in Oslo, Norway.

- 34.3 The Parties will enter into a separate written non-disclosure undertaking or agreement covering a dispute that is subject to arbitration.
- 34.4 Notwithstanding the foregoing, each Party acknowledges that breach of the Contract may cause irreparable damage and agrees that the other Party shall be entitled to seek injunctive relief under the Contract by a competent court in any jurisdiction relevant to a breach of the Contract. For the avoidance of doubt, such competent court shall, notwithstanding Article 34.1 be entitled to apply the substantive law of that jurisdiction on the interpretation of the Contract when determining such injunctive relief.
- 34.5 Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance according to the Contract as directed by BUYER.

35. ENTIRE AGREEMENT

- 35.1 The Contract together with all its Contract Documents constitutes the entire agreement between the Parties and supersedes and replaces any prior written or oral agreement, understanding, or the like. Changes, modifications, amendments, or extensions to the Contract shall only be valid if made In Writing and signed by duly authorized representatives of both Parties. Written changes orders issued unilaterally by BUYER need only be signed by the appropriate BUYER representative.
- 35.2 BUYER's engineering and technical personnel may from time to time render assistance, give technical advice, discuss, or effect exchange of information with SELLER's personnel concerning the Services. Such actions shall in no way be construed as a change in the Parties' rights or obligations under the Contract.