



GENERAL TERMS AND CONDITIONS FOR SERVICES IN- AND OUTSIDE KONGSBERG'S SERVICE LOCATIONS

These general terms and conditions and together with those set forth in Contractor's quotation (collectively, the "Conditions") will, unless otherwise agreed in writing, apply to all sales of technical personnel services and shop work by the KONGSBERG entity appearing on the confirmation order ("Contractor") to Customer (Contractor and Customer are collectively referred to herein as the "Parties" and individually as the "Party"), and together with Customer's written order or acknowledgement ("Purchase Order") constitute the entire, complete and exclusive agreements between the Parties relating to the subject matter hereof ("Order"), to the fullest extent permitted by law.

Customer warrants to Contractor that it has not been induced to enter into these Conditions by any prior oral representation (whether innocently or negligently made) except as specifically contained herein.

1. QUOTATIONS AND ORDERS

Unless otherwise indicated on the quotation, a quotation is valid for thirty (30) days from the date of the quotation. Customer must confirm its order by Purchase Order.

Customer's Purchase Order will be expressly limited to these Conditions. Contractor objects to and will not be bound by any additional or different terms in Customer's Purchase Order, order acceptance or any other document.

No Purchase Order will be binding upon Contractor unless accepted in writing by Contractor. A Purchase Order that has been accepted by Contractor is binding on both Parties with respect to the Work (as defined below) to be provided. All requests to reschedule, cancel or otherwise revise the Order are subject to the written agreement of Contractor and payment of fees specified herein.

2. SCOPE OF WORK

Contractor agrees to provide Customer with qualified technical personnel ("Personnel") to provide services described in the Order or any other supply governed by other agreement or otherwise (the "Work"), which may include any of the following services: technical advice and support, repair, maintenance, installation, and start-up services, including instruction, consultation and direct liaison with Customer, in connection with the installation, start-up, trials, operation, maintenance, repair or overhaul of Contractor's equipment, or equipment supplied by another manufacturer, at Customer's site, dock or vessel. Services provided does not include any supervisory responsibility or liability.

Customer shall not be entitled to require Contractor to make the Personnel available for work outside the scope of the Work.

3. CUSTOMER'S RESPONSIBILITIES

Unless otherwise agreed in writing, Customer will comply with the following at no cost to Contractor:

(a) Labour, Equipment and Tools

Customer will furnish all ancillary labour and supervision, materials, supplies, utilities, compressed air, tools and equipment as may be required by the Personnel, including proper calibration, certifications and records for the tools and equipment. Customer will ensure that adequate supervisory personnel for Customer's employees, subcontractors or agents are on duty at all times during the Personnel's work hours. The persons made available by Customer under this clause shall provide their own tools. Contractor shall not be under any liability either towards such labour provided by the Customer or for their acts or omissions. Customer will not use the Personnel in any manner as lead hand, foreman or supervisor of Customer's employees, for whom Customer will be liable and will maintain adequate insurance coverage. Customer will defend, hold harmless and indemnify Contractor from any and all claims arising out of the Personnel's acts or omissions while acting in such capacity.

(b) Safety

Customer shall give all necessary assistance to ensure that Contractor obtains all necessary information regarding local laws and regulations applicable to the Work and will ensure that Personnel are provided the necessary safety awareness training and a safe working environment, in compliance with applicable rules and regulations.

If the Work is carried out at Customer's site, dock or onboard a vessel, Customer is responsible for coordinating safety measures pursuant to the laws governing working environment. Customer shall ensure that the premises where the maintenance work shall take place are in appropriate condition.

Before the work is started, Customer shall inform Contractor of all relevant safety regulations in force at the site. Contractor shall secure the observance of such safety regulations by the Personnel. If breaches of these regulations by the Personnel come to the notice of Customer, he must inform Contractor in writing forthwith. Contractor shall, in agreement with Customer, take such measures as are necessary for avoiding any repetition of such breaches.

Customer shall, pursuant to the regulations in force on working environment and worker protection, prevent Contractor's Personnel from being exposed to injury to health or accidents. Contractor shall inform Customer of any special dangers, which the execution of the work may entail. Customer shall inform the Personnel of the conditions in Customer's country under which the Work is to be carried out and of any particular risks or dangers that may be encountered on the site or in the use of any equipment and tools provided by Customer. Customer shall comply with all reasonable requests by the Personnel for the provision of additional safety measures against special dangers.

Customer shall ensure that the Contractor's Personnel receive information on the dangers which may be present at the work place and the risks involved in making use of the tools and equipment provided by Customer.

The Personnel shall inform Customer of the particular dangers associated with the maintenance work, and the Personnel have a right to demand that Customer takes reasonable action to prevent injury to health and accidents.

Customer shall ensure that the necessary safety equipment is present at the work place and shall bear any costs related to such availability of equipment.

(c) Lodging

Customer shall place at the disposal of the Personnel suitable furnished and proper heated/air-conditioned single rooms for working, boarding and lodging of the Personnel in close proximity to the work site as follows:

- (i) sufficient service storage sheds with locks, equipped with shelves and bins for tools, equipment and supplies for the Personnel;
- (ii) sufficient changing rooms, provided with locks and washing facilities for use of the Personnel;
- (iii) sufficient furnished offices with locks, equipped with telephones, fax, internet and other communication requirements of the Personnel; and
- (iv) accessible toilet facilities and drinking water on the work site.

The cost of the lodgings shall be borne by Customer. If the conditions above cannot be met, Contractor shall be entitled to charge the extra cost, and if, under the circumstances, it would be unreasonable to require Contractor to proceed with the Work, Contractor may, without prejudice to any other right under the Contract, refuse to do so. Such stoppage shall be treated as an interruption of the Work in accordance with clause 8.



(d) Technical Information

Customer will make available to the Personnel all technical information such as drawings, descriptions, diagrams, technical manuals and interface specifications regarding the equipment as is necessary to carry out the Work.

(e) Customs, Visas and Work Permits

Customer will provide all assistance requested by Contractor with Customs formalities required for import and export of the Contractor's equipment and tools free of all duties and taxes. Customer will also provide all assistance requested by Contractor to ensure that the Personnel obtain visas and any other official entry, exit, residence or working permits and tax certificates that may be required.

Customer shall ensure that the Personnel have access to the site if the Work is carried out at Customer's site, dock or onboard a vessel.

(f) Compliance with Laws, Rules and Regulations

Customer will comply with all laws and regulations and permitting requirements applicable at the work site, or arising out of the performance of the Work.

(g) Taxes and Personnel Costs

Customer will pay all taxes, duties or charges levied upon Contractor or its Personnel in connection with the performance of the Work at Customer's site or incidental to the lodging or travel of the Personnel or shall promptly reimburse Contractor for any such charges which Contractor may be required to pay.

(h) Illness and Accidents of the Personnel

In the event of Personnel illnesses or accidents, at work or outside work, necessitating medical attention or hospital treatment, Customer will be responsible for assisting the Personnel to obtain the best available medical attention, hospital treatment and medicines. All costs incurred for such medical attention will be for the account of Contractor. If the Contractor considers it necessary to send any member of the Personnel home on medical grounds or in the event of death, the Customer shall give the Contractor all reasonable assistance in arranging the persons return home or the transport of the deceased. The cost of any such return or transport shall be borne by the Contractor. In the event of death, or if by reason of illness or accident a member of the Personnel is or will be unavailable or unfit for work for more than four (4) weeks, the Contractor shall be entitled at his own expense to provide a substitute.

4. REMUNERATION

If no fixed price for the Work is agreed between the Parties, the following will apply.

(a) Service Rates

Customer will pay the at any one time applicable hourly or daily service rates provided by Contractor.

(b) Normal Working Hours: Overtime

Unless otherwise agreed in writing, the per hour rates/day rates proposed by Contractor assume the Work will be performed during normal working hours as specified in Contractor's Rates, Terms and Conditions for Field Service Personnel ("Service Rates Sheet"). Any Work done outside normal working hours will be charged as overtime at the rates specified in the Service Rates Sheet.

(c) Waiting Time

Any waiting time during normal working hours for which the Contractor is not responsible, will be charged to Customer as normal working time or, in the case of day rates, will be included in the day rate. Any waiting time during overtime will be charged to Customer at overtime rates. All time and actual costs incurred in obtaining visas and any other required entry, exit, working or other permits will be charged to Customer.

(d) Transportation and Living Expenses

Travel and living expenses flat rates will be charged as specified in the attached Service Rates Sheet based on government per diem rates for meals and actual costs for lodging, transportation (airfare, car rental) and allowable miscellaneous expenses plus agreed loading.

(e) Time Sheets and protocols

For the purpose of carrying out the Work, the Contractor shall maintain a record, protocol or similar document on observations and measures carried out. The Personnel will present time sheets to Customer showing hours worked. Customer may review and approve the time sheets insofar as practicable, but approval will not be required for invoicing by the Contractor of Personnel's time as shown on the time sheets.

5. TAXES

The Customer shall pay, where applicable, all duties, withholding and other taxes, customs fees and charges and all charges and fees by a classification or inspection society. All such documentation or approvals which are required by applicable laws, and any applicable modifications of such laws, shall be the responsibility of and paid by the Customer.

Customer will indemnify Contractor against any loss or liability that Contractor may suffer or incur (directly or indirectly) for or on account of tax and which arises as a result of or is attributable to a payment received or receivable (or any payment deemed to be received or receivable) from Customer under this Order.

This does not apply to any tax assessed on Contractor under the laws of its jurisdiction of incorporation if that tax is imposed on or calculated by reference to its net income, profits or gains.

Any amount payable by Customer pursuant to this Order is exclusive of any value added tax or any other tax of a similar nature (hereafter "VAT"). If any VAT is chargeable, Customer will pay to Contractor (in addition to and at the same time as paying that amount) an amount equal to the amount of that VAT.

6. PAYMENT

Payment of Contractor's invoices for the Work are due 30 days from the date the invoice was issued unless otherwise agreed in writing. All payments will be in the agreed currency. If Customer fails to pay by the stipulated date, Contractor shall be entitled to interest from the day on which payment was due and until payment in full is made, as well as to compensation for recovery costs. The rate of interest shall be 10 percentage points above the average Prime Lending Rate of Barclays Bank PLC, and the Oversea-Chinese Banking Corporation, and in force on the due date of payment, or the highest interest rate payable by the governing law of the Order (whichever is higher).

Customer will make all payments to Contractor under these Conditions in full without any withholding or deduction or right of offset of any amounts (including those for alleged damages) whatsoever.

Contractor may change its credit terms and/or suspend performance hereunder when, in Contractor's opinion, Customer's financial condition or record of payment so warrants. Customer will pay any third-party collection expenses, including reasonable attorney's fees, incurred by Contractor to effect collection of any unpaid amounts.

7. RESCHEDULING AND CANCELLATION

All requests to reschedule or cancel the Work are subject to Contractor's written consent. If Customer cannot receive the Contractor at the agreed time or for any other reason becomes aware of any delay, Customer shall immediately inform Contractor thereof. For rescheduled or cancelled Work Customer will reimburse Contractor for any time, travel and living expenses incurred as a result of the rescheduling or cancellation.

8. FORCE MAJEURE - DELAYS AND INTERRUPTION OF THE WORK

Neither Party will be liable for any delay or failure to perform



its obligations under the Order if the delay or failure results from an event of Force Majeure. Force Majeure means an event that was not foreseeable by the affected Party at the time of execution of the Order, is unavoidable and outside the reasonable control of the affected Party, provided that it cannot overcome such event despite all reasonable efforts, including without limitation fire, earthquake, flood, storm, strikes and other labour interruption or disturbances, riot, war, transportation damage or delay, labour or material shortages, acts of public authority, or delays or interference of Customer or site owner. The affected Party must provide notice to the other Party within 5 days from occurrence of the Force Majeure event.

If the Work is delayed or interrupted due to a Force Majeure event or for any other cause for which the Contractor is not responsible:

- (a) The Customer is entitled to require the Contractor to send the Personnel home, in which case the Customer shall pay the expenses of their withdrawal and any subsequent return to the site.
- (b) The Contractor is entitled to send the Personnel home if any delay or interruption exceeds 4 days, in which case the Customer shall pay the expenses of the withdrawal and any subsequent return to the working site.

If the Personnel is withdrawn, the performance of the Order shall be suspended until the Customer has required the return of the Personnel to the site by giving at least 2 weeks' notice. The Contractor shall be entitled to an extension of time for completion of the Order equal to delay caused by the suspension and the subsequent resumption of work. Should the suspension exceed 6 month(s) either Party shall be entitled to terminate the Order by notice in writing to the other Party without prejudice to the rights of either Party accrued up to the date of termination.

If a Force Majeure event or other delay that Contractor is not responsible for exceed thirty days Contractor may terminate the Order forthwith by written notice without liability. Each Party shall use reasonable efforts to minimize the effects of such Force Majeure event.

9. CONTRACTOR'S LIABILITY FOR DEFECTS (Warranty)

Contractor warrants to Customer that the Work will be performed in a competent, diligent manner and in accordance with generally accepted standards for such services.

Contractor shall be responsible for Work carried out for a period of six months from the time when the Work was carried out. Any claims from Customer must be made in writing. Customer should contact the local KONGSBERG office that ordered the Work and give details in writing of the nonconforming Work. The notice must be made known to Contractor no later than one month from the end of the six months' period described herein.

Contractor shall repair or re-perform, in whole or in part, at its sole discretion, any defective Work which appears during the warranty period. The Customer shall immediately take appropriate steps to prevent any defect from becoming more serious, and all warranty claims with respect to this warranty shall be made in writing without delay and not later than fourteen (14) days following discovery of such defect during the warranty period.

The warranty period in respect of Work which has been re-performed under the warranty shall expire six (6) months following the last day on which the Work was re-performed under the warranty. The warranty for re-performed Service Work shall be subject to the same terms, conditions and limitations of liability, as those applicable to the originally performed Work. Under no circumstances shall the warranty period of any Work (whether original or re-performed) extend beyond the date that is twelve (12) months following the date of commencement of the original warranty period as stipulated above in this Clause.

Contractor's liability under this clause is to the fullest extent permitted by law, in lieu of all other warranties, whether written or

This version: 1 January 2021

oral, express, statutory or implied, including but not limited to any warranties of merchantability, fitness for a particular purpose or workmanlike service.

10. SOLE REMEDY

To the extent permitted by law Contractor's sole obligation and Customer's sole remedy if the Work is nonconforming is limited to the re-performance by Contractor of such work at Contractor's cost. Customer shall at his own expense arrange for any dismantling and reassembly of equipment other than the parts or equipment concerned, to the extent that this is necessary to remedy the defect. This clause sets forth the exclusive remedies for claims based upon nonconformity of the Work performed, whether the claim is in contract, warranty, tort (including active or passive negligence) or otherwise. This exclusive remedy shall not be deemed to have failed its essential purpose so long as Contractor is willing and able to re-perform nonconforming Work within a reasonable time after Customer demonstrates that nonconformance exists.

11. LIMITATION OF LIABILITY

Contractor is liable for damage to property, personal injury and death only if it can be shown that the damage is a result of gross negligence on the Part of Contractor or a person for whom Contractor is responsible. Gross negligence shall mean an act or omission implying either a failure to pay due regard to serious consequences, which a conscientious contractor would normally foresee as likely to ensue, or a deliberate disregard of the consequences of such act or omission.

If Contractor incurs liability towards any third party for such damage as described in the preceding paragraph, Customer shall to the fullest extent permitted by law indemnify, defend and hold Contractor harmless.

To the fullest extent permitted by law, Contractor will not be liable for any indirect, consequential, special, incidental or punitive damages of any kind (even if Contractor has been notified of the possibility of such damages), including but not limited to loss of actual or potential profits or revenues, loss of use of the parts or repaired equipment, the cost of substitute equipment, towage charges, dry-docking and related shipyard services, pollution remediation costs, damage to any vessel, engine room, yard or other property of Customer, any cost incurred by Customer for the removal, disassembly, reassembly, reinstallation, adjustment or repair of any equipment, or any other work performed in connection with Contractor's re-performance of the nonconforming Work or any other losses, damages or increased costs, whether as a result of breach of contract, tort (including negligence) or otherwise. Contractor will not be liable for any work carried out by Customer or by any third party, even though carried out with assistance of Contractor's Personnel.

The total liability of Contractor, whether in contract, tort (including active or passive negligence), strict liability or otherwise, arising out of, connected with or resulting from the performance or nonperformance of any purchase order, including any liquidated damages, or from the manufacture, sale, delivery, resale, repair, replacement or use of any part or the furnishing of any service related thereto, will in no event exceed twenty percent (20%) of the total price of the Purchase Order that gives rise to the claim.

The limitations of this clause 11 shall apply even if the sole remedy set forth in section 10 fails of its essential purpose.

12. INSURANCE

Contractor and Customer will each at its own cost provide for and maintain comprehensive insurance coverage to protect its own property and personnel.

13. NO WAIVER

The failure of Contractor to enforce any provision of these Conditions is not to be construed as a waiver of the provision or the right thereafter to enforce each and every provision. No waiver by Contractor, express or implied, of a breach of a term or condition is to be construed as a waiver of any other breach of that term or condition.

14. SALE OF SPARE PARTS



Spare parts to be provided by Contractor to Customer for use in connection with the Work may be provided in accordance with a separate order, but in the event such spare parts are provided pursuant to these Conditions, they will be subject to Contractor's terms and conditions for supply of spare parts.

15. EXPORT CONTROL

Contractor and Customer acknowledge that any deliverables, including products, services or information provided or received, may be subject to export control laws and regulations and each of the Parties agree that they will strictly comply with all applicable requirements under such laws and regulations. As such, each Party warrants and undertakes that it will not export or transfer by any means, electronic or otherwise, any deliverables, without complying in all respects with the applicable export control legislation, codes of conduct, relevant export license(s), guidelines, notices and instructions in relation to any export or transfer of information or deliverables.

Neither Party shall have any liability to the other Party for delayed delivery or non-delivery resulting from denial, revocation, suspension or governmental delay in issuance, of any necessary export license or authority.

16. ANTI-BRIBERY AND CORRUPTION (ABC LEGISLATION)

Each Party agrees to fully comply with all relevant laws, regulations, ordinances and rules regarding anti-bribery and anti-corruption (including but not limited to the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the Norwegian Penal Code, the Criminal Law of the People's Republic of China, the Singapore Prevention of Corruption Act, the South-Korean Criminal Act, and, where applicable, legislation enacted by member States and signatories implementing the OECD Convention Combating Bribery of Foreign Officials) in relation to this Contract.

Non-compliance with the obligations set out in this mutual commitment clause shall be considered as a material breach of this Contract and shall entitle the other Party, at its sole discretion, to terminate this Contract with immediate effect and without prejudice to any further rights or remedies that Party may have under this Contract or applicable law. The non-compliant Party shall indemnify and keep the other Party harmless from and against all liabilities, damages, costs or expenses incurred as a result of any non-compliance with the obligations of this this mutual commitment clause.

17. ASSIGNMENT AND SUB-CONTRACTING

Customer may not assign or otherwise transfer its rights or obligations hereunder without the prior written consent of Contractor. No attempt to assign or transfer in violation of this provision will be valid or binding upon Contractor. Contractor may sub-contract all or any part of its obligations hereunder to a competent third party and may assign these Conditions to an affiliate at any time or to a non-affiliate as part of the sale of Contractor's business.

18. POLLUTION INDEMNITY

To the extent permitted by law Customer agrees to defend, indemnify and hold Contractor harmless from and against any liability for, or costs arising in connection with any pollution which is due to the services provided or any act or omission in the supply of products or provision of services. This limitation shall not apply if Contractor is guilty of gross negligence. For the definition of gross negligence see clause 11 above.

19. GOVERNING LAW AND ARBITRATION

The Contract shall be governed and interpreted in accordance with the laws of Norway.

Any dispute relating to the Contract shall be sought resolved 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 negotiations from either party, either party has the right to bring the dispute to final settlement through arbitration pursuant to the applicable Arbitration Act of Norway. The arbitration shall be conducted using one arbitrator if the Contract value is less than one million EURO, and otherwise three arbitrators. The arbitration shall be conducted in the English language in Oslo, Norway.

This version: 1 January 2021

The above notwithstanding, either party shall be entitled to seek an injunction in any relevant jurisdiction.

20. SEVERABILITY

If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Conditions and the remainder of the provisions in question will not be affected and will be enforced to the fullest extent permitted by law.

21. CONFIDENTIALITY; OWNERSHIP OF INFORMATION

Unless otherwise expressly stated: a) nothing in these Conditions shall transfer ownership of, or grant any rights in, either Party's copyright, patents, rights to use and prevent the use of information or any other intellectual property rights (together "IPR"); and b) any IPR created in the performance of the Work will be owned by the Party that creates it.

Each Party agrees that a) it will not use any confidential information provided to it by the other Party, except for the purposes of performing its obligations and exercising its rights under these Conditions (the "Purpose"); b) it will only disclose such confidential information to its employees, officers or representatives who need to know the information for the Purpose or as may be required by law; and c) it will take reasonable security measures to prevent any unauthorized use or disclosure of any such confidential information.

Any outputs of the Work which Contractor is required under the Order to deliver to the Customer (the "Deliverables") may be used by the Customer, or anyone acting on behalf of the Customer, for the purpose of operating, repairing and maintaining any equipment for which the Deliverables were created or provided.

Any documents, information, items and materials provided by a Party to another Party in connection with the Work must be returned to the providing Party on request and in any event on completion of the Work, except that the Customer shall be entitled to retain and use the Deliverables in accordance with this clause 21.

Customer will not reverse engineer any material, tooling, component or spare part provided or delivered to Customer in connection with these Conditions.

22. SOFTWARE

Software, including software products and software incorporated in spare parts and other products sold by Contractor, is provided under license agreement.

23. TERMINATION

Contractor may terminate the Order, and shall have no obligation to perform the Work, immediately upon lack of payment and/or any other material breach of the Order by Customer, including but not limited to breach of the obligations under clause 16 above or, to the extent permitted by law, the bankruptcy or insolvency of Customer. Customer will pay the price for any Work performed on or before the date of termination. If Contractor terminates the Order he shall be entitled to compensation for the loss he suffers as a result of Customer's breach, including any consequential and indirect loss. Contractor is not liable for any costs, expenses, losses, damages or liabilities arising out of such termination. Termination or cancellation will not alter or terminate any of the Parties' obligations under any section of the Order that by its nature extends beyond termination or cancellation.

24. DATA PROTECTION AND PRIVACY

In some circumstances KONGSBERG may collect and use personal data. These circumstances can include, but are not limited to, when: necessary for contractually related purposes, Buyer visit KONGSBERG website, or Buyer contacts KONGSBERG. Any personal data collected is subject to the EU General Data Protection Regulation 2016/679 ("GDPR"). To ensure compliance with the GDPR, KONGSBERG have adopted binding corporate rules ("the KONGSBERG BCR"). The KONGSBERG BCR have been approved by the Norwegian and other relevant data protection authorities.

25. SURVIVAL

The following clauses will survive termination of the Order: clauses 6, 8 to 13 inclusive and 15 to 26 inclusive.

Country Schedules to the Amendments to Orgalime S2012 General Conditions for the Supply of Mechanical, Electrical and Electronic Products dated March 2012

The following conditions are applicable to any agreement or order entered into between the Supplier and the Purchaser under Orgalime S2012 with KONGSBERG Amendments in respect of Products supplied from the respective country as the Supplier's Country and/or to the extent required by the laws of the relevant country.

Local Terms for Germany

For the avoidance of doubt, the appendix entitled "Appendix attached to the ORGALIME GENERAL CONDITIONS S2012 regarding the application of German law" and issued for use in connection with the Orgalime S2012 shall not apply.

The first paragraph of **Clause 21** is amended as follows:

If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due and until payment in full is made, as well as to compensation for recovery costs, including but not limited to a fixed sum as compensation for debt recovery costs currently set at EURO 40. The rate of interest shall be 10 percentage points above the average Prime Lending Rate of Barclays Bank PLC and the Oversea-Chinese Banking Corporation, and in force on the due date of payment, or the highest interest rate payable by the governing law of this Contract (whichever is higher).

Clause 22 is amended as follows:

1. The Supplier shall retain full title of the Product that has been delivered until the Purchaser has discharged all and any claims arising from the business relationship, including any account balance and claims from refinancing or reverse promissory notes.
2. The Purchaser shall at the request of the Supplier assist him in taking any measures necessary to protect the Supplier's title to the Product.
3. The Purchaser shall have the right to dispose the Product delivered by the Supplier within the ordinary course of business. The Supplier may withdraw the sales authority of the Purchaser through written notice if (i) Purchaser is in breach of any obligation owed to the Supplier and/ or (ii) is in payment default and/ or (iii) the Supplier shall become aware of any other incident that gives rise to doubts about Purchaser's creditworthiness.
4. The Purchaser's right to process the Product delivered shall also be subject to the limitations set out in subsection (3) above. The Purchaser shall not acquire title to the fully or partly processed Product; the processing shall be free of charge for the Supplier's benefit as manufacturer in the sense of § 950 of the German Civil Code. If the Supplier should, for whatever reason, lose its rights under the retention of title, then it is hereby agreed between the Supplier and the Purchaser that the Supplier shall acquire title upon processing of the Product and the Purchaser shall remain custodian of the Product which shall be free of charge.
5. If the Product in which the Supplier has retained title shall be inseparably assembled or mixed with goods that are third party property, then the Supplier shall acquire co-title in the new goods or the mixed stock. The proportion of title shall follow from the proportion of the invoice value of the Product delivered by the Supplier under retention of title and the invoice value of the other goods.
6. The Product in which the Supplier shall acquire sole or co-title in accordance with subsections (4) and (5) above shall, the same as with regard to the Product delivered under retention of title according to subsection (1) above, be regarded as the Product delivered under retention of title for the purposes of the following paragraphs.
7. The Purchaser hereby assigns to the Supplier all claims arising from the resale of the Product delivered under retention of title. Such claims shall also include claims against the bank which, within the scope of such sale, shall have issued or confirmed a letter of credit for the benefit of the Purchaser (= reseller). The Supplier hereby accepts such assignment. If the Product delivered under retention of title shall be a processed good or a mixed stock, where, in addition to the Product delivered by the Supplier, only such goods exist that are either the Purchaser's property or a third party property as a result of a (simple) retention of title, then the Purchaser shall assign all of the claims arising from the resale. In the other case, i.e. in the event of a conflict between pre-assignment claims by other suppliers, the Supplier shall be entitled to receive any resale proceeds on a pro rata basis which shall be determined in proportion to the invoice value of the Product and the other processed or mixed goods.



8. Where the claims of the Supplier shall be undoubtedly secured through the assignment and retention by more than 125%, any surplus of receivables and/or the Product delivered under retention of title shall, upon demand of the Purchaser, be released in accordance with the choice of the Supplier.
9. The Purchaser shall be authorised to collect any receivables arising from the resale of the Product. The Supplier may withdraw the Purchaser's authority to collect, if it shall be in breach of any obligation owed to the Supplier (in particular where Purchaser is in payment default) and/ or when the Supplier becomes aware of other incidents that give rise to doubts about the Purchaser's creditworthiness. If the above authority is withdrawn by the Supplier, then the Purchaser shall -upon Supplier's demand- immediately specify his debtors to the Supplier and provide the Supplier with all information and documentation necessary for collection.
10. In the event of any third party action against the Product delivered under retention of title or any receivables assigned to the Supplier, the Purchaser shall notify such party of Supplier's property/ right and immediately inform the Supplier about such action. The Purchaser shall bear the costs of any intervention.
11. If the Purchaser shall be in breach of contract, in particular in payment default, then it shall, upon demand of the Supplier, immediately return to the Supplier all the Products delivered under retention of title and/or assign to the Supplier any repossession claims against any third party in conjunction with the Product. Any repossession or enforcement proceedings with regard to the Product delivered under retention of title shall not be regarded as a rescission of this Contract.
12. In the cases referred to in subsection (3) sentence 2, the Supplier may require the Purchaser, to inform the Supplier about the claims arising from the resale that have been assigned to the Supplier in accordance with subsection (7) including his debtors. Following such information, the Supplier shall have the right to disclose the assignment as the Supplier considers appropriate.
13. This Clause with its above provisions shall apply to the extent that such retention of title is valid under the relevant law.

The retention of title shall not affect the passing of risk under Clause 10.

After **Clause 39** a new **Clause 39a** is added which reads as follows:

Purchaser's statutory warranty rights shall remain unaffected by the provisions of Clauses 23-39 and the definition of "defect(s)" contained in Clause 23 shall neither apply to this Clause 39a nor to Clause 40a below. The following provisions of this Clause 39a shall apply to all claims due to defect in quality or defects in title, subject, however, to the provisions of Clauses 40-43 and 45:

If the Product is defective and Purchaser notifies Supplier In Writing of any defect, Supplier will, at its option and subject to the applicable statutory warranty provisions, either (i) rectify the defect or (ii) or supply a new Product; Purchaser's other statutory warranty rights as well as Clauses 40 and 40a shall remain unaffected hereby.

All claims due to defects in quality or defects in title will expire within one year from the delivery date, except in events of malicious non-disclosure (*arglistiges Verschweigen*) of a defect in which case expiry of Purchaser's rights will be exclusively determined in accordance with statutory law and safe for cases falling under sec. 438 para. 1, no. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*). Any claims from Purchaser must be made In Writing; sec. 377 of the German Commercial Code (*Handelsgesetzbuch*) shall remain unaffected hereby.

The title of **Clause 40** is amended to read "**LIMITATION OF LIABILITY**" and **Clause 40** is amended as follows:

(a) Applicability

In cases of intentional acts, malicious non-disclosure of a defect, claims under the German Product Liability Act (*Produkthaftungsgesetz*), and claims based on damage to life, body or health, Supplier's liability will be determined exclusively in accordance with statutory law. In all other cases and whatever the legal basis (breach of contract, defects, tort, or otherwise), Supplier's liability under the Contract for any and all resultant damages and futile expenses will be limited as laid down in the following subsection (b).



(b) Limitations

Supplier's liability will be limited to typical foreseeable damages in cases of (i) gross negligence (except for damages caused by Supplier's managing employees or legal representatives), (ii) liability without fault for an inability to perform during delayed performance, and (iii) slight negligence. Moreover, in cases of slight negligence, Supplier will only be liable if Supplier is in breach of such contractual obligations, the fulfillment of which allows for the due performance of the Contract, the breach of which would endanger the purpose of the Contract and the compliance with which Purchaser may constantly trust in (so-called "cardinal obligations" (*Kardinalpflichten*)). In all other cases, Supplier will not be liable for slight negligence.

Additionally, in any case, the total liability of Supplier, whether in contract, tort or otherwise, arising out of, connected with or resulting from the performance or non-performance of any contract, including any liquidated damages, or from the manufacture, sale, delivery, resale, repair, replacement or use of any part or the furnishing of any service related thereto, will in no event exceed twenty percent (20%) of the total price of the Contract that gives rise to the claim.

Except in cases of gross negligence, any claim for damages or futile expenses will expire (i), if resulting from defects, within one year from the delivery date or (ii), in all other cases, within two years from the date the cause of action arises; sec. 438 para. 1, no. 1 a) of the German Civil Code remains unaffected hereby.

(c) Third party claims

If the Supplier incurs liability towards any third party for any damage to (i) property, personal injury or death caused by the Product after it has been delivered and whilst it is in the possession of the Purchaser or its successor(s) (except to the extent that, in the case of personal injury or death, such injury or death is caused by intent or Gross Negligence of the Supplier or its directors, employees, agents or subcontractors) or (ii) products manufactured by the Purchaser, or products of which the Purchaser's products form a part, the Purchaser shall indemnify, defend and hold Supplier harmless.

If a claim for damage as described in this subsection (c) is lodged by a third party against one of the parties, the latter shall forthwith inform the other party thereof In Writing.

The Supplier and the Purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product. The liability between the Supplier and the Purchaser shall however be settled in accordance with Clause 47 (as amended).

After **Clause 45** a new **Clause 45a** entitled "**OBLIGATIONS TO DEFEND, HOLD HARMLESS AND/OR INDEMNIFY**" is added which reads as follows:

Purchaser will not be obligated to defend, hold harmless and/or indemnify Supplier in accordance with the terms of this Contract if Purchaser acted or omitted to act without fault.

Local Terms for France

The following is added as a second paragraph to **Clause 58**:

The Contract shall be interpreted in accordance with Article 1641 of the French Civil Code or any other law with same content replacing this act/code and the provisions of the Contract will be enforced to the extent permitted by the Laws of France.

The first paragraph of **Clause 21** is amended as follows:

If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due and until payment in full is made, as well as to compensation for recovery costs, including but not limited to a fixed sum as



KONGSBERG

compensation for debt recovery costs currently set at EURO 40. The rate of interest shall be 10 percentage points above the average Prime Lending Rate of Barclays Bank PLC and the Oversea-Chinese Banking Corporation, and in force on the due date of payment, or the highest interest rate payable by the governing law of this Contract (whichever is higher).

Local Terms for Italy

The following is added as a new **Clause 60**:

Customer will confirm in its Purchase Order that it has received these Conditions and that, for the purpose of art. 1341 of the Italian Civil Code or any other law with same content replacing this act/code, Customer has thoroughly read and expressly approved the following clauses: 23, 25, 37 b), 40, 47 and 56.

The following is added as a new **Clause 61**:

Model of Organization, Management and Control pursuant to Legislative Decree no. 231/2001 and the Code of Ethics.

1. Supplier notifies to have adopted a model of organization, management and control (hereinafter referred to as "Organizational Model") pursuant to Legislative Decree no. 231/2001 and the Code of Ethics which allows the Supplier to operate in compliance with the principles and values contained which is available upon request.

2 The Customer declares to have read the Code of Ethics and the Organizational Model and commits itself to comply therewith as well as ensure that they are complied with by the directors and any cooperators, whilst being aware that any violation of the rules set forth by therein constitutes a serious breach of the contract provisions. Customer also declares that it is not subject to any of the sanctions set forth by article 9 of the Legislative Decree 231/2001 and there is no pending prosecution on it in connection with such legislation.

3 Moreover, the Customer commits itself to abstain from adopting a conduct that may also potentially be qualified as criminal offense set forth by Legislative Decree no. 231/2001. The Customer commits itself to send to the Supervisory Body of the Supplier (Kongsberg Maritime Italy Srl), on the terms laid down in the Code of Ethics, a written notification about any assumed or actual breach of the Code of Ethics or the Organizational Model as well as any potentially committed criminal offense.

4 Finally, the Customer discharges Supplier from any accountability or damage deriving from a breach of the Code of Ethics or the Organizational Model by the Customer or its directors or employees as well as any cooperators.

5 Should the Customer, or its directors or employees or any cooperators, breach the rules set forth by the Code of Ethics or the Organizational Model of the Supplier, as well as in case of committing any of the offenses referred to in Legislative Decree no. 231/2001, the Supplier may terminate this contract by a written notice sent by A.R. registered mail or by PEC. Pursuant to and to the effect provided by article 1456 of the Italian Civil Code, such termination will have immediate effect from the date of receipt of communication of the Supplier, who may also bring a compensatory claim.

Local Terms for the UAE

Clause 46 is amended as follows:

Unless the parties agree otherwise in writing, this Contract shall be governed by and interpreted in accordance with the Laws of England and Wales, excluding the conflict of law rules applicable in such jurisdiction, local Sale of Goods Act or similar legislation and the United Nations Convention on Contracts for International Sale of Goods (CISG).



KONGSBERG

Local Terms for Australia

The following is added as a new **Clause 38 a)**:

This provision applies if a supply under Orgalime S2012 with these KONGSBERG Amendments is a supply of goods or services to a consumer, within the meaning of the *Australian Consumer Law* or any other law with same content replacing this act/code as set out in Schedule 2 of the *Competition and Consumer Act 2010 (Cth)* (**ACL**) or any other law with same content replacing this act/code. The express warranties in these terms and conditions are in addition to the rights and remedies available to consumers under the ACL.

The Supplier's goods and services come with guarantees that cannot be excluded under the ACL. The Purchaser is entitled to a replacement or refund for a major failure and compensation for any other reasonably foreseeable loss or damage. The Purchaser is also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure. In relation to services, the Purchaser is entitled to have the services resupplied or receive a refund (at the Supplier's discretion) if the services fail to be of acceptable quality and the failure does not amount to a major failure.

Nothing contained in these terms and conditions excludes, restricts or modifies the application of any provision, the exercise of any right or remedy, or the imposition of any liability which cannot be excluded.

The express warranties in these terms and conditions are given by [**name of entity**], [**address of entity**]. To claim under the guarantee or warranty, please contact [name of entity] via email at [**email contact details**] or phone: [**phone contact details**].

Clause 39 is amended as follows:

Save as stipulated in Clauses 23-38A, the Supplier shall not be liable for defects. To the extent permitted by law, this applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation of the Supplier's liability shall not apply if he has been guilty of Gross Negligence.

Local Terms for South Korea

The following is added as a new **Clause 60**:

Pursuant to the provisions of the ACT ON THE REGULATION OF TERMS AND CONDITIONS or any other law with same content replacing this act/code the Parties hereby confirm that clauses 46 and 47 were negotiated and agreed between them.

Local Terms for Vietnam

The first paragraph of **Clause 21** is amended as follows:

If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due and until payment in full is made, as well as to compensation for recovery costs. The rate of interest shall be 10 percentage

points above the average Prime Lending Rate of Barclays Bank PLC and the Oversea-Chinese Banking Corporation, and in force on the due date of payment, or the highest interest rate payable by the governing law of this Contract (whichever is higher), currently 20% per year.

Local Terms for the United Kingdom

The following is added as a new **Clause 59**:

CUSTOM PROCEDURES

(a) Where KONGSBERG supplies or delivers any Products under this Agreement in the United Kingdom and:

- (i) the destination of such Product is either outside the European Union or;
- (ii) the destination is inside the European Union but such Products are under customs control in preparation for export from the European Union,

then, in order that the appropriate HM Revenue & Customs requirements for declaration of exports are met, Customer will ensure that its nominated agent acting as declarant:

- (a) contacts the appropriate KONGSBERG shipping department for instructions as to the detail to be shown on the Single Administrative Document;
- (b) forwards the appropriate official copy of the Single Administrative Document to the KONGSBERG shipping department within one month of export.

If the declarant does not so comply, KONGSBERG will be entitled to recover from Customer any customs duty, compensatory interest, penalty, VAT or similar charges payable to HM Revenue & Customs arising from such non-compliance, whenever such charges are paid by KONGSBERG.

(b) Where:

- (i) KONGSBERG supplies or delivers any Products under this Agreement in the United Kingdom; and
- (ii) the destination of such Products is outside the United Kingdom but within a member country of the European Union; and
- (iii) Customer has registered under the common system of VAT in the European Union in that country,

then Customer will notify KONGSBERG of Customer's VAT registration number under that system when notifying shipping instructions to KONGSBERG. Subject to having been so notified KONGSBERG will supply a tax invoice quoting such number and invoice the goods free of United Kingdom VAT subject to VAT legislation from time to time. On request by KONGSBERG, and for HM Revenue & Customs purposes, Customer will supply evidence of export of the goods from the United Kingdom after delivery.