

WESTCONTROL'S STANDARD TERMS AND CONDITIONS OF PURCHASE

1. Scope

These standard terms and conditions of purchase (the "Conditions") shall apply between the Buyer and the Supplier. The general conditions of the Supplier shall not apply.

The Conditions supersede all prior agreements and understandings, oral or written, including but not limited to, discussions, proposals or negotiations between the Buyer and the Supplier, unless otherwise agreed in writing. By accepting the Purchase Order, the Supplier accept the Conditions in full.

2. Definitions

- 1) "Agreement" means these Conditions and any other document the parties have agreed to form part of the Buyer's purchase of the Products.
- 2) "Buyer" means the member of the Westcontrol Group set out as purchaser in the Purchase Order.
- 3) "Export Control License" means any public or governmental license, authorization, approval, permit or similar (whether temporary or permanent) pertaining to the export, import, marketing, development, license manufacturing, distribution or re-export of the Products.
- 4) "Gross Negligence" means an act or omission of a party in violation of elementary rules of diligence which a conscientious contracting party in a similar position would have followed.
- 5) "Intellectual Property" means all intellectual property, including but not limited to work of authorship, designs, technical data, technology, inventions and discoveries, processes, testing procedures, software, samples, models, tools, knowhow and trade secrets, in each case, in all forms, formats, languages and versions.
- 6) "Intellectual Property Right" means all right, title and interest in and to any Intellectual Property, in all territories, whether by operation of law (including, without limitation, by operation of laws of copyright, patent, trademark, trade usage and trade secrets) or contract, license or otherwise, and applications, registrations, renewals, extensions and restorations relating to any of the foregoing.
- 7) "Product" means a product and any associated services described in the Purchase Order, including any materials or component thereof, and also including but not limited to relevant documentation.

- 8) "Proprietary Information" means all technological, financial, commercial or other information or data of a proprietary or confidential nature and identified as such by an appropriate legend or marking, or which by its nature or the circumstances surrounding its disclosure ought to be treated as confidential.
- 9) "Purchase Order" means an order in writing by posted mail, fax or other portal solutions for purchase of Products by the Buyer, submitted by the Buyer to the Supplier, subject to these Conditions.
- 10) "Supplier" means the legal entity the Purchase Order is addressed to.
- 11) "Westcontrol Group" means Westcontrol AS and any companies directly or indirectly controlled by Westcontrol AS.

3. Ordering procedures

- 1) The Supplier shall within five (5) calendar days from receipt of the Purchase Order either confirm the Purchase Order and thus accept these Conditions, or reject it. If the Supplier has neither confirmed nor rejected the Purchase Order within the said time period, the Supplier is deemed to have accepted the Purchase Order, and thereby these Conditions. In such case, the Buyer also reserves the right to cancel parts of or the whole Purchase Order without any implications or costs for the Buyer.
- 2) Terms that diverge from these Conditions shall have no applicability unless the Buyer has expressly accepted the relevant term in writing.

4. Prices

- 1) The Purchase Order prices are firm and fixed unless otherwise expressly agreed in writing.
- 2) All prices shall be inclusive of all storage, documentation, certificates, packaging, transportation costs to the delivery location, insurance and applicable taxes, including, but not limited to, all sales, use or excise taxes.

5. Terms of delivery and packaging

- 1) The Product shall conform, in every aspect, to the provisions of the Purchase Order. Delivery shall take place on the dates set in the Purchase Order unless otherwise agreed between the parties in writing.
- 2) The terms of delivery shall be DAP Supplier's place of business in accordance with INCOTERMS 2020.
- 3) Title and risk to the Products shall pass to the Buyer upon delivery in accordance with INCOTERMS 2020. The Products shall as soon as possible be clearly marked as the property of the Buyer with the Buyer's name and address, and as far as practicable keep them separate from the Supplier's other property or stock.
- 4) Partial deliveries are not accepted unless expressly agreed in writing.

- 5) The Supplier shall pack each Product to a standard which shall ensure transportation and delivery to the Buyer without any damage to the Product. The Supplier shall be responsible for all loss or damages arising out of the failure to meet such packaging requirements. Specific package instructions might apply.
- 6) The delivery documentation shall reference the number of the Purchase Order
- 7) The Product, Product package and assembly package must be labeled according to the Product documentation, unless otherwise stated in the Purchase order. The Supplier is responsible for fulfilling any documentation required related to the delivery of Product, hereunder but not limited to, certification of product origin, safety instructions, technical documentation, declaration of conformity, etc.

6. Terms of Payment

- 1) Undisputed invoices shall be paid within sixty (60) calendar days from the later of (i) the receipt of the correct invoice, (ii) the delivery date set forth in the Purchase Order, or (iii) the actual delivery in accordance with the requirements as specified in the relevant Purchase Order. The Buyer may withhold payment of any disputed amount until a final agreement has been reached.
- 2) Invoices shall refer to the number of the relevant Purchase Order and item/position/line in the Purchase Order. Invoices not referring to a Purchase Order will not be accepted and consequently not paid.

7. Delay in delivery

- 1) A delay in delivery has occurred if the date of delivery of the Product is later than the delivery date set in the Purchase Order or otherwise agreed upon in writing, and such delay is not due to the Buyer.
- 2) If the Supplier anticipates or has reasonable cause to believe that a delay in delivery may occur, the Supplier shall immediately notify the Buyer in writing stating the cause of the delay and the Supplier's best estimate of when delivery can be made. Such notice shall not limit the Supplier's liability for the delay. The Supplier shall implement all necessary actions and bear all costs incurred to minimize the delay unless the delay is due to the Buyer.
- 3) Upon a delay in delivery, the Buyer shall be entitled to claim liquidated damages at a daily rate of zero point five percent (0.5%) of the price of the delayed Products and the price of the Products that cannot, as a consequence of the delay, be used as intended by the Buyer. The liquidated damages shall not exceed a total of fifteen per cent (15%) of the total Purchase Order value.
- 4) The liquidated damages shall become due at the Buyer's demand in writing. The Supplier's payment of liquidated damages shall not relieve the Supplier from the obligation to deliver the Products.
- 5) When the maximum cap of liquidated damages is reached, the Buyer may in writing demand delivery within a final reasonable period. If the Supplier does not deliver within such final period, the Buyer may by notice in writing to the Supplier terminate the Agreement or any part thereof with immediate effect.

- 6) The Buyer shall also be entitled to terminate the Agreement or any part thereof with immediate effect by notice in writing to the Supplier, if it is clear from the circumstances that a delay will occur which would entitle the Buyer to maximum liquidated damages. In case of termination in accordance with this clause 7.6, the Buyer shall be entitled to maximum liquidated damages.

8. Quality and environmental requirements

- 1) The Products shall meet all requirements imposed by any law or regulation applicable to the production, use, repair, maintenance, transport, disposal and/or sale of the Products. The Products shall also meet any other requirements agreed upon in writing.
- 2) The Supplier shall provide information on whether the product is covered by any form of producer responsibility or other provisions that involve special handling on disposal.
- 3) The Supplier shall comply with the applicable requirements of the standards ISO 9001 and ISO 14001.
- 4) The Supplier shall deliver a Material Declaration or an Environmental and Health Hazardous Materials Report. For chemical products the Supplier shall send Safety Data Sheets (SDS).
- 5) The Supplier shall upon the Buyer's request provide an Environmental Product Declaration of the Products.
- 6) The Buyer shall have the right to undertake quality audits and verifications of the Supplier's quality systems and fulfillment of its obligations under this Agreement.

9. Warranty

- 1) The Supplier warrants that the Products fulfill the specified requirements put forward in the Purchase Order. The Supplier also warrants that the Products are free from defects, fit for purpose and that they are new, unused and undamaged.
- 2) The Supplier shall remedy any defect in the Product resulting from faulty design, material or workmanship or any nonconformity of the Product to any agreed specification (hereinafter together "Defect") during a warranty period of twenty-four (24) months starting from the delivery of the respective Product.
- 3) In addition to the above, the Supplier shall be obligated to remedy any systematic defect of the Products during a period of five (5) years from the delivery of such Products to the Buyer. A systematic defect is a Defect that appears in more than ten (10) per cent of the delivered Products of the same kind. In case of a systematic defect, the Supplier shall at no charge to the Buyer, remedy all such Products.
- 4) The Supplier shall immediately remedy any Defect in the Products at its own cost including, but not limited to, cost for dismantling, assembling, repair or replacement. If the Supplier does not remedy the Products immediately, the Buyer may by notice in writing to the Supplier stipulate a final time for the remedy of the Products. If the Supplier fails to remedy the Products within such final time, the Buyer may itself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the Supplier and/or terminate the Agreement or any part thereof with immediate effect by notice in writing to the Supplier.

- 5) Products that have been replaced by the Supplier under this clause 9 shall be subject to a new warranty period in accordance with clause 9.1 and 9.2. The warranty period for Products that have been repaired by the Supplier shall be extended for a period equal to the time the Products have been out of use.
- 6) All transports of Products to and from the Supplier in connection with the remedying of Defects for which the Supplier is responsible shall be at the risk and expense of the Supplier.
- 7) The Buyer shall notify the Supplier in writing of any Defect including a description of the Defect within reasonable time after its appearance.
- 8) The Buyer is entitled to claim damages for losses caused by the Supplier's breach of warranty.

10. Infringement of Intellectual Property Rights

- 1) The Supplier shall indemnify and hold harmless the Buyer from and against any and all claims, damages, losses and expenses (including reasonable attorneys' fees) incurred as a result of any claim, suit or proceeding brought against the Buyer based on the allegation that the use, sale, distribution or other disposal of the Products constitutes an infringement of any Intellectual Property Rights. The Buyer shall without undue delay notify the Supplier in writing of any such claim and the parties shall consult each other in the defense or settlement thereof.
- 2) In the event that the Products or any part thereof are in such suit or proceeding held to constitute an infringement or their further use, sale, distribution or other disposal is enjoined, the Supplier shall promptly, at its own expense and option, either: (i) procure for the Buyer the right to continue the use, sale, distribution or other disposal of such Products; or (ii) replace or modify the same with noninfringing products without detracting from the function and performance of the Products.

11. Liability and indemnity

- 1) The Supplier shall indemnify and hold harmless the Buyer from and against all claims, damages, losses and expenses in respect of (i) injury or death of any employee of the Buyer (ii) loss of or damage to property of the Buyer and (iii) injury or death and loss of or damage to property of any third party if caused by the Supplier's negligence, or by anyone for which the Supplier is responsible, or by the relevant Product as a result of faulty design, inherent defects or faulty manufacture or faulty or insufficient instructions for the operation and maintenance of the Product.
- 2) The Buyer shall indemnify and hold harmless the Supplier from and against all claims, damages, losses and expenses in respect of (i) injury or death of any employee of the Supplier, (ii) loss of or damage to property of the Supplier, and (iii) injury or death and loss of or damage to property of any third party, subject to and insofar (i), (ii) and/or (iii) are caused by the Buyer's negligence.
- 3) If a third party initiates legal proceedings, whether by court action or by arbitration, the indemnifying party under this clause 11 hereby consents to be added to such proceedings as an additional party and hereby waives any objection to the jurisdiction of such court or tribunal.

12. Force Majeure

- 1) Either party shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded by any of the following circumstances (“Force Majeure Events”): fire, war, embargo, governmental decisions, unannounced strikes but only if of a general nature and not limited solely to the affected party, and any other events, all when beyond the control of the affected party and which consequences cannot be avoided or overcome.
- 2) The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of the Force Majeure.
- 3) If failure to perform or delay in performance or delivery due to a Force Majeure event lasts, or it is evident that it will last, for more than thirty (30) days calculated from the day the Force Majeure event first occurred, either party may terminate the Purchase Order(s) affected.

13. Export and import licenses

- 1) The Supplier is responsible to timely apply for, obtain and secure any Export Control License, in the territory of the Supplier and its sub-contractors, required to enable the timely delivery and discharging of all its obligations under this Agreement. The Supplier shall also support the Buyer in connection with any future retransfer of the Product or part thereof.
- 2) If any Export Control License requires signed end user certificates the parties agree to assist each other in completing the end user certificates.
- 3) The Supplier shall, in due time prior to delivery of the Product, or upon the Buyer’s request, provide to the Buyer information on the export control classification (civil, military or dual use list) of all Products or parts thereof.
- 4) If any necessary Export Control License are delayed, denied or revoked, the Supplier shall notify the Buyer thereof in writing without delay, and the Supplier shall be entitled to suspend performance of its obligations under the Agreement, except where such delay, denial or revocation is due to circumstances within the control of the Supplier.

14. Confidentiality

- 1) This clause 14 shall apply if and to the extent it does not contradict the provisions of any applicable confidentiality agreement or similar agreement in writing between the parties.
- 2) Each party shall protect Proprietary Information received from the other party with the same degree of care that it exercises with respect to its own Proprietary Information.
- 3) The receiving party undertakes to keep Proprietary Information confidential and not to disclose such in whole or in part to a third party without written permission from the disclosing party and to restrict access to Proprietary Information to those of its employees who have a need to know the same when executing the Agreement.
- 4) The duty of confidentiality does not apply to Proprietary Information which the receiving Party can prove: (i) is generally known to the public at the time of disclosure by the disclosing party or later becomes generally known without the fault of the receiving party, (ii) was already known to the receiving party prior to disclosure by the disclosing party, (iii) is disclosed to the receiving party by a third party who did not obtain such information from the disclosing party subject to any confidentiality obligation, (iv) is independently developed

by the receiving party, or (v) is approved for release or use by the other party's prior authorization in writing.

- 5) The Buyer may disclose Proprietary Information received from the Supplier under the Agreement to the customer provided that such information exhibits the proprietary marking of the Supplier. The Buyer may also disclose Proprietary Information to any member of the Westcontrol Group. The Buyer shall ensure that any such member company complies with this clause 14.

15. Termination

- 1) The Buyer may terminate the Agreement or any part thereof for its own convenience, by thirty (30) days' notice in writing to the Supplier. Products completely manufactured at the time of termination shall be delivered to the Buyer. For delivered Products the Buyer shall pay the Supplier the corresponding part of the relevant Purchase Order price. For undelivered Products the Buyer shall pay an amount corresponding to the Supplier's demonstrable costs. In no event shall the Buyer's termination payment exceed the relevant part of the Purchase Order Price.
- 2) The Buyer may terminate the Agreement or any part thereof with immediate effect by notice in writing to the Supplier in case the Supplier: (i) is liable to pay the maximum amount of liquidated damages pursuant to clause 7.5 or 7.6, (ii) fails to comply with such final time for remedy of defective Products as set out in clause 9.3, (iii) otherwise is in breach of any of its obligations under the Agreement and fails to remedy the breach within thirty (30) calendar days after receiving notice in writing specifying the breach, or (iv) becomes the subject of bankruptcy, insolvency, liquidation, windingup, receivership or any similar institute or event.
- 3) The Supplier may terminate the Agreement or any part thereof with immediate effect by notice in writing to the Buyer in case the Buyer: (i) is in breach of any of its obligations under the Agreement and fails to remedy the breach within thirty (30) calendar days after receiving notice in writing specifying the breach, or (ii) becomes the subject of bankruptcy, insolvency, liquidation, winding-up, receivership or any similar institute or event.
- 4) In case of rightful termination by either party according to clause 16.2 or 16.3, the terminating party shall, subject to the limitations of liability set out in clause 12, be entitled to compensation for the loss it has suffered as a result of the termination.
- 5) Provisions contained in these general conditions of purchase that are expressed or by their sense and context are intended to survive the expiration or termination of the Agreement, shall so survive the expiration or termination.

16. Notices

All correspondence and notifications shall be in writing in the English language and shall be deemed to have been duly received (i) on the day of delivery, if delivered personally, (ii) on the next workingday in the place to which it is sent or if sent by e-mail, (iii) on the seventh calendar day after sending, if sent by registered or certified mail or to the agreed addresses of the recipient.

17. No waiver

A party's waiver of any of its rights under the Agreement must be in writing and duly executed by it. No single or partial waiver of any such right or remedy shall preclude any other or further exercise of that or any other such right or remedy.

18. No announcements

The Supplier shall not make, deny or confirm any news release, advertisement or public announcements concerning this Agreement, or any Purchase Order hereunder, without the prior written approval of Buyer. Furthermore, the Supplier shall not use the Buyer's or any Westcontrol customer's name or brands, without the prior written approval of the Buyer.

19. Business ethics

- 1) The Buyer considers ethical behaviour as a key parameter in its business. In furtherance of this, the Buyer has adopted a Code of Conduct for suppliers which sets out the standards and principles, including a policy of zero tolerance of any form of corruption. Any from time to time updated versions of the Code of Conduct for suppliers may be downloaded at <https://westcontrol.com/Compliance/>
- 2) The Supplier acknowledges that it is aware of the content of the Supplier Code of Conduct and the Supplier undertakes to comply in all material aspects with the standards and principles laid down in it and to ensure such compliance by all of its directors, employees, agents or sub-contractors who are involved in performing the Supplier's obligations under this Agreement.
- 3) The Supplier understands and accepts that any non-compliance with this undertaking may be deemed to constitute a material breach of this Agreement and result in the Buyer's immediate termination of this Agreement or any other agreement between the parties.

20. Counterfeit Parts

- 1) "Counterfeit Parts" means materiel whose origin, age, composition, configuration, certification status or other characteristics (including whether or not the materiel has been used previously) has been falsely represented by: (a) misleading marking of the materiel, labelling or packaging; (b) misleading documentation; or (c) any other means, including failing to disclose information.
- 2) The Supplier shall not deliver counterfeit parts or suspected Counterfeit Parts to the Buyer under this Agreement.
- 3) The Supplier shall only purchase products to be delivered to the Buyer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Parts shall not be acquired from independent distributors or brokers unless approved in advance in writing by the Buyer.
- 4) If the Supplier becomes aware or suspects that it has furnished Counterfeit Parts or suspect Counterfeit Parts or if the Buyer determines, including as a result of alerts from any government, or other relevant authorities, that the Supplier has supplied Counterfeit Parts or suspect Counterfeit Parts to the Buyer and so notifies the Supplier, the Supplier shall immediately replace the Counterfeit Parts or the suspect Counterfeit Parts with parts acceptable to the Buyer and conforming to the requirements of this Agreement.
- 5) Certificate of compliance must contain batch traceability documentation to the manufacturer including all intermediaries.

- 6) The Supplier shall insert a clause containing all of the terms of this provision in all subcontracts under this Agreement.

21. Disputes and applicable law

- 1) If a dispute or claim arises out of, or in connection with this Agreement, the parties shall try to resolve the dispute or claim by negotiation. If the negotiations are not successful, the dispute or claim shall be settled by court proceedings unless the Parties agree otherwise. Any court proceedings shall be brought before District Court in Norway.
- 2) The Agreement (including clause 21.1) shall be governed by and construed in accordance with the laws of Norway, excluding its conflict of law principles providing for the application of the laws of any other jurisdiction.
