

# GENERAL CONDITIONS FOR THE SUPPLY OF MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS

Brussels, October 2022

## PREAMBLE

1. These General Conditions shall apply when the parties agree thereto. Any modifications of or deviations from them must be agreed In Writing.

## DEFINITIONS

2. In these General Conditions the following terms shall have the meanings hereunder assigned to them:
  - « **Contract** » : the agreement In Writing between the parties concerning supply of the Product and all appendices, including agreed amendments and additions In Writing to the said documents;
  - « **Gross Negligence** » : a deliberate or reckless failure to take such care as is obviously required in the circumstances to avoid serious consequences for the other party;
  - « **In Writing** » : communication by document signed by both parties or by letter, electronic mail, fax and by such other means as are agreed by the parties;
  - « **the Product** » : the object(s) to be supplied under the Contract, including software and documentation;
  - « **Contract Price** » : the agreed price, which shall be either a fixed price or, in case the parties have specifically agreed on a price revision clause, the revised price.

## PRODUCT INFORMATION/INSTRUCTIONS

3. All information and data contained in general product documentation and price lists, regardless of form, shall be binding only to the extent that they are by reference In Writing expressly included in the Contract.
4. The Supplier shall, not later than at the date of delivery, provide free of charge information and drawings which are necessary to permit the Purchaser to install, commission, operate and maintain the Product. Such information and drawings shall be supplied as one paper copy of each and also electronically. The Supplier shall not be obliged to provide manufacturing drawings for the Product or for spare parts.

## INTELLECTUAL PROPERTY AND CONFIDENTIALITY

5. All intellectual property rights in the Product, including in any embedded software, and in any technical information relating to the Product, shall rest with the Supplier or, in the appropriate case, with a third party which has licensed the Supplier to sublicense these rights. Subject to any limitations that may have been agreed between the third party and the Supplier, the Purchaser shall acquire a non-exclusive, perpetual and transferable right to use these intellectual property rights, but limited to the extent required by the purpose of the Contract. The Supplier shall not be obliged to provide the Purchaser with the source code or with updates for any embedded software.

This clause shall also apply when the Product and/or software has been specifically developed for the Purchaser, unless otherwise agreed In Writing.

6. Technical, commercial and financial information and information, which has been declared as confidential or which must by its very nature be deemed to be confidential, disclosed In Writing or orally by one party to the other, shall be treated confidentially. The information shall therefore not without the consent of the disclosing party In Writing be used for any other purpose than that for which it was provided. It may not, without the consent of the disclosing party In Writing, be transmitted, communicated or otherwise disclosed to a third party.

## ACCEPTANCE TESTS

7. Acceptance tests provided for in the Contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours.

If the Contract does not specify the technical requirements, the tests shall be carried out in accordance with general practice in the appropriate branch of industry concerned in the country of manufacture.

8. The Supplier shall notify the Purchaser In Writing of the acceptance tests in sufficient time to permit the Purchaser to be represented at the tests. If the Purchaser is not represented, the test report shall be sent to the Purchaser and shall be accepted as accurate.
9. If the acceptance tests show the Product not to be in accordance with the Contract, the Supplier shall without

delay remedy any deficiencies in order to ensure that the Product complies with the Contract. New tests shall then be carried out at the Purchaser's request, unless the deficiency was insignificant.

10. The Supplier shall bear all costs for acceptance tests carried out at the place of manufacture. The Purchaser shall however bear all travelling and living expenses for his representatives in connection with such tests.

### **DELIVERY. PASSING OF RISK**

11. Any agreed trade term shall be construed in accordance with the INCOTERMS® in force at the formation of the Contract.

If no trade term has been specifically agreed, the delivery shall be Free Carrier (FCA) at the place of manufacture of the Product.

If, in the case of delivery Free Carrier, the Supplier, at the request of the Purchaser, undertakes to send the Product to its destination, the risk will nevertheless pass to the Purchaser as soon as the Product is handed over to the first carrier.

Partial delivery shall not be permitted, unless otherwise agreed In Writing.

### **TIME FOR DELIVERY. DELAY**

12. If the parties, instead of specifying the date for delivery, have specified a period of time within which delivery shall take place, such period shall start to run as soon as the Contract is entered into and all agreed preconditions to be met by the Purchaser have been fulfilled, such as official formalities, payments due at the formation of the Contract and securities.

13. If the Supplier anticipates that he will not be able to deliver the Product at the time for delivery, he shall forthwith notify the Purchaser thereof In Writing, stating the reason and, if possible, the time when delivery can be expected.

If the Supplier fails to give such notice, the Purchaser shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.

14. If delay in delivery is caused by any of the circumstances mentioned in Clause 46, by an act or omission on the part of the Purchaser, including suspension under Clauses 22 and 49, or any other circumstances attributable to the Purchaser, the Supplier shall be entitled to extend the time for delivery by a period which is necessary having regard to all the circumstances of the case. This provision shall apply regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

15. If the Product is not delivered at the time for delivery, the Purchaser shall be entitled to liquidated damages from the date on which delivery should have taken place.

The liquidated damages shall be payable at a rate of 0.5 per cent of the Contract Price for each commenced week of delay. The liquidated damages shall not exceed 7.5 per cent of the Contract Price.

If only part of the Product is delayed, the liquidated damages shall be calculated on that part of the Contract Price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties.

The liquidated damages shall become due at the Purchaser's demand In Writing but not before delivery has been completed or the Contract is terminated under Clause 16.

The Purchaser shall forfeit his right to liquidated damages if he has not lodged a claim In Writing for such damages within six months after the time when delivery should have taken place.

16. If the delay in delivery is such that the Purchaser is entitled to maximum liquidated damages under Clause 15 and if the Product is still not delivered, the Purchaser may In Writing demand delivery within a final reasonable period which shall not be less than one week.

If the Supplier does not deliver within such final period and this is not due to any circumstances which are attributable to the Purchaser, then the Purchaser may by notice In Writing to the Supplier terminate the Contract in respect of such part of the Product as cannot in consequence of the Supplier's failure to deliver be used as intended by the parties.

If the Purchaser terminates the Contract he shall be entitled to compensation for the loss he suffers as a result of the Supplier's delay, including any consequential and indirect loss. The total compensation, including the liquidated damages which are payable under Clause 15, shall not exceed 15 per cent of that part of the Contract Price which is attributable to the part of the Product in respect of which the Contract is terminated.

The Purchaser shall also have the right to terminate the Contract by notice In Writing to the Supplier, if it is clear from the circumstances that there will occur a delay in delivery which, under Clause 15, would entitle the Purchaser to maximum liquidated damages. In case of termination for this reason, the Purchaser shall be entitled to maximum liquidated damages and compensation under the third paragraph of this clause.

17. Liquidated damages under Clause 15 and termination of the Contract with limited compensation under Clause 16 shall be the only remedies available to the Purchaser in case of delay on the part of the Supplier. All other claims against the Supplier based on such delay shall be excluded, except where the Supplier has been guilty of Gross Negligence.

18. If the Purchaser anticipates that he will be unable to accept delivery of the Product at the time for delivery, he shall forthwith notify the Supplier In Writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery.

If the Purchaser fails to accept delivery at the time for delivery for a reason which is not attributable to the Supplier, he shall nevertheless pay any part of the Contract Price which becomes due at the time for delivery, as if delivery had taken place at the time for delivery. The Supplier shall arrange for storage of the Product at the risk and expense of the Purchaser. The Supplier shall also, if the Purchaser so requires, insure the Product at the Purchaser's expense.

19. Unless the Purchaser's failure to accept delivery is due to any of the circumstances mentioned in Clause 46, the Supplier may by notice In Writing require the Purchaser to accept delivery within a final reasonable period.

If, for a reason which is not attributable to the Supplier and not the result of any of the circumstances mentioned in Clause 46, the Purchaser fails to accept delivery within such period, the Supplier may by notice In Writing terminate the Contract in whole or in part. The Supplier shall then be entitled to compensation for the loss he suffers by reason of the Purchaser's default, including any consequential and indirect loss. The compensation shall not exceed that part of the Contract Price which is attributable to that part of the Product in respect of which the Contract is terminated.

## **PAYMENT**

20. Payment shall be made within thirty days after the date of invoice.

Unless otherwise agreed, the Contract Price shall be invoiced with one third at the formation of the Contract and the remaining part when the Product is delivered.

21. Whatever the means of payment used, payment shall not be deemed to have been effected before the Supplier's account has been irrevocably credited for the amount due.

22. 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 to compensation for recovery costs. The rate of interest shall be as agreed between the parties

or otherwise 8 percentage points above the interest rate of the European Central Bank for the main refinancing operations (MRO). The compensation for recovery costs shall be 1 per cent of the amount for which interest for late payment becomes due.

In case of late payment or in case the Purchaser fails to give an agreed security by the stipulated date the Supplier may, after having notified the Purchaser In Writing, suspend his performance of the Contract until he receives payment or, where appropriate, until the Purchaser gives the agreed security.

If the Purchaser has not paid the amount due within three months the Supplier shall be entitled to terminate the Contract by notice In Writing to the Purchaser and, in addition to the interest and compensation for recovery costs according to this clause, to claim compensation for the costs and loss he incurs, including indirect and consequential loss.

## **RETENTION OF TITLE**

23. The Product shall remain the property of the Supplier until paid for in full to the extent that such retention of title is valid under the relevant law.

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.

The retention of title shall not affect the passing of risk under Clause 11.

## **LIABILITY FOR DEFECTS**

24. The Product shall be in conformity with the Contract. Pursuant to the provisions of this clause and Clauses 25-44, the Supplier shall remedy any defect in or nonconformity of the Product (hereinafter termed defect) resulting from faulty design, materials or workmanship.

25. The Supplier shall not be liable for defects arising out of a design, materials or production methods provided, stipulated or specified by the Purchaser.

26. The Supplier shall only be liable for defects which appear under the conditions of operation provided for in the Contract and under proper use of the Product.

27. The Supplier shall not be liable for defects caused by circumstances which arise after the risk has passed to the Purchaser, e.g. defects due to faulty or incorrect installation, maintenance or repair, or to any alteration, carried out by the Purchaser or by a third party on behalf of the Purchaser. The Supplier shall neither be liable for normal wear and tear nor for deterioration.

28. The Supplier's liability shall be limited to defects which appear within a period of one year from delivery. If the use of the Product exceeds that which is agreed, this period shall be reduced proportionately.

29. When a defect in a part of the Product has been remedied, the Supplier shall be liable for defects in the repaired part or in the part in replacement under the same terms and conditions as those applicable to the original Product for a period of one year. For the remaining parts of the Product, the period mentioned in Clause 28 shall be extended only by a period equal to the period during which and to the extent that the Product could not be used as a result of the defect.

The Supplier shall not be liable for defects in any part of the Product for more than one year from the end of the liability period referred to in Clause 28 or from the end of any other liability period agreed upon by the parties.

30. The Purchaser shall without undue delay notify the Supplier In Writing of any defect which appears. The notice shall contain a description of the defect. Such notice shall under no circumstances be given later than two weeks after the expiry of the period given in Clause 28 or the extended period(s) under Clause 29, where applicable.

If the Purchaser fails to notify the Supplier In Writing of a defect within the time limits set forth in the first paragraph of this clause, he shall lose his right to have the defect remedied and any other rights in respect of the defect.

Where the defect is such that it may cause damage, the Purchaser shall immediately notify the Supplier In Writing. The Purchaser shall bear the risk of damage to the Product resulting from his failure so to notify. The Purchaser shall take reasonable measures to minimise damage and shall in that respect comply with instructions of the Supplier.

31. On receipt of the notice under Clause 30, the Supplier shall at his own cost remedy the defect without undue delay, as stipulated in Clauses 24-44. The time for remedial work shall be chosen in order not to interfere unnecessarily with the Purchaser's activities.

Remedial work shall be carried out at the place where the Product is located unless the Supplier deems it more appropriate that the Product is sent to him or a destination specified by him.

If the defect can be remedied by replacement or repair of a defective part and if dismantling and re-installation of the part do not require special knowledge, the Supplier may demand that the defective part is sent to him or a destination specified by him. In such case the Supplier shall have fulfilled his obligations in respect of the defect when

he delivers a duly repaired part or a part in replacement to the Purchaser.

32. The Purchaser shall at his own expense provide access to the Product and arrange for any intervention in equipment other than the Product, to the extent that this is necessary to remedy the defect.

33. Unless otherwise agreed, necessary transport of the Product or parts thereof to and from the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Supplier. The Purchaser shall follow the Supplier's instructions regarding such transport.

34. Unless otherwise agreed, the Purchaser shall bear any additional costs which the Supplier incurs for remedying the defect caused by the Product being located in a place other than the place specified in the Contract for putting the Product into service, or if not specified, the place of delivery.

35. Defective parts which have been replaced shall be made available to the Supplier and shall be his property.

36. If the Purchaser has given such notice as mentioned in Clause 30 and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he incurs as a result of the notice.

37. If the Supplier does not fulfil his obligations under Clause 31 or 43, the Purchaser may by notice In Writing fix a final reasonable period for completion of the Supplier's obligations, which shall not be less than one week.

If the Supplier fails to fulfil his obligations within such final period, the Purchaser may himself undertake or employ a third party to undertake necessary remedial work at the risk and expense of the Supplier, provided the Purchaser or third party does so in a professional manner.

Where successful remedial work has been undertaken by the Purchaser or a third party, reimbursement by the Supplier of reasonable costs incurred by the Purchaser shall be in full settlement of the Supplier's liabilities for the said defect.

38. Where the defect has not been successfully remedied, as stipulated under Clause 37,

a) the Purchaser shall be entitled to a reduction of the Contract Price in proportion to the reduced value of the Product, provided that under no circumstances shall such reduction exceed 15 per cent of the Contract Price, or

b) where the defect is so substantial as to significantly deprive the Purchaser of the benefit of the Contract as regards the Product or a substantial part of it, the Purchaser may terminate the Contract by notice In Writing to the Supplier in respect of such part of the Product as cannot in consequence of the defect be used as intended by the parties. The Purchaser shall then be entitled to compensation for any loss, including any consequential and indirect loss, up to a maximum of 15 per cent of that part of the Contract Price which is attributable to the part of the Product in respect of which the Contract is terminated.

39. Save as stipulated in Clauses 24-38, the Supplier shall not be liable for defects. In consequence, the Supplier shall not be liable for any other 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.

#### **LIABILITY FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS**

40. Unless otherwise agreed, the Supplier shall, in accordance with this clause and Clauses 41 - 44 be liable towards the Purchaser for the Product infringing patents, copyrights or any other intellectual property rights of a third party in the Purchaser's country. The Supplier shall in such case indemnify the Purchaser and hold the Purchaser harmless against claims of third parties, provided that such claims are confirmed as valid by a final award or a settlement approved by the Supplier. The Supplier shall however not be liable for the Purchaser's loss of production, loss of profit, loss of use and loss of contracts, unless the Supplier has been guilty of Gross Negligence.

41. The Supplier shall have no liability for infringement of intellectual property rights arising out of:

- the Product being used elsewhere than in the Purchaser's country;
- the Product being used otherwise than agreed or in a way the Supplier could not have foreseen;
- the Product being used together with equipment or software not supplied by the Supplier, or
- a design or construction stipulated or specified by the Purchaser.

42. The Supplier shall only be liable if the Purchaser notifies the Supplier In Writing without delay of any claim as referred to in Clause 40 which he receives and allows the Supplier to decide how the claim shall be dealt with.

Defence against claims referred to in Clause 40 shall be for the Supplier's account. The Supplier shall compensate the Purchaser for any amounts the latter is obliged to pay under a final award or a settlement approved by the Supplier.

43. Infringement of intellectual property rights shall, at the Supplier's discretion, be remedied by:

- providing the right for the Purchaser to use the Product,
- adjusting the Product so that the infringement ceases, or
- by replacing the Product with another product, which can be used without infringing applicable intellectual property rights.

44. If the Supplier fails to remedy the infringement in accordance with Clause 43 without undue delay, Clauses 37, 38 and 39 shall apply.

#### **ALLOCATION OF LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT**

45. The Supplier shall not be liable for any damage to property caused by the Product after it has been delivered and whilst it is in the possession of the Purchaser. Nor shall the Supplier be liable for any damage to products manufactured by the Purchaser or to products of which the Purchaser's products form a part.

If the Supplier incurs liability towards any third party for such damage to property as described in the preceding paragraph, the Purchaser shall indemnify, defend and hold the Supplier harmless.

If a claim for damage as described in this clause is lodged by a third party against one of the parties, the latter party 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 51.

The limitation of the Supplier's liability in the first paragraph of this clause shall not apply where the Supplier has been guilty of Gross Negligence.

## FORCE MAJEURE

46. Either party shall be entitled to suspend performance of his obligations under the Contract to the extent that such performance is impeded or made unreasonably onerous by force majeure, meaning any of the following circumstances: industrial disputes and any circumstance beyond the control of the parties such as fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power, currency and import or export restrictions, epidemics, natural disasters, extreme natural events, terrorist acts and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this clause.

A circumstance referred to in this clause whether occurring prior to or after the formation of the Contract shall give a right to suspension only if its effect on the performance of the Contract could not be foreseen at the time of the formation of the Contract.

47. 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 such circumstance. If a party fails to give such notice, the other party shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.

If force majeure prevents the Purchaser from fulfilling his obligations, he shall compensate the Supplier for costs which the Supplier incurs in storing, securing and protecting the Product and avoiding unreasonable interference with his other activities.

48. Regardless of what might otherwise follow from these General Conditions, either party shall be entitled to terminate the Contract by notice In Writing to the other party if performance of the Contract is suspended under Clause 46 for more than six months.

## ANTICIPATED NON-PERFORMANCE

49. Each party shall be entitled to suspend the performance of his obligations under the Contract, where it is clear from the circumstances that the other party is not going to perform his obligations. A party suspending his performance of the Contract shall forthwith notify the other party thereof In Writing.

## CONSEQUENTIAL LOSSES

50. Save as otherwise stated in these General Conditions or in case of Gross Negligence there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts and for any other consequential or indirect loss whatsoever, whether the loss was foreseeable or not.

## DISPUTES AND APPLICABLE LAW

51. All disputes arising out of or in connection with the Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.

52. The Contract shall be governed by the substantive law of the Supplier's country.

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## **AMENDMENTS TO ORGALIM S2022 GENERAL CONDITIONS FOR THE SUPPLY OF MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS.**

### **PREAMBLE – Clause 1**

*Clause 1 shall be replaced with:*

These General Conditions shall apply to any sale of Products from Supplier to the Customer. Any modifications of or deviations from them must be agreed In Writing.

In the event of a conflict between the General Conditions, the quotation and/or the order confirmation, they shall prevail in this following order:

- a) The order confirmation from the Supplier
- b) The quotation from the Supplier
- c) These General Conditions

Unless otherwise specifically agreed, Customer's terms and conditions for purchase (if any) shall not apply for the delivery of any Product from the Supplier, even if the Supplier knowing of such terms and conditions did not object to them.

### **DEFINITIONS – Clause 2**

*The definition of "Contract" shall be replaced with:*

means any agreement In Writing between the parties for the supply of Product(s), including but not limited to these General Conditions and any accepted offers, concluded with a written order confirmation from the Supplier.

### **DRAWINGS AND TECHNICAL INFORMATION – Clause 4**

*The following text shall be added at the end:*

When the Supplier submits drawings for approval, the Purchaser must either approve the drawings or provide feedback within the timeframe specified in the Contract. If the Contract does not specify a timeframe, the Purchaser shall without undue delay and not later than within fourteen (14) calendar days from the receipt of the drawings to respond as to whether the drawings are approved or rejected. If the drawings are rejected, the Buyer shall inform the Purchaser forthwith with a justification of the rejection. Failure to respond within this period will result in the drawings being deemed approved.

The "Design Freeze" date for the quoted/ordered product(s) is 12 weeks prior to finished production. (In these terms "Design Freeze" shall mean the date when the design is final and cannot be changed except through a change order). This means that no design can be changed less than 12 weeks prior to finished production. Failure to agree on a "Design Freeze" date may result in additional fees and the delivery date may be extended. Request for alterations in the design after the Design Freeze date requires a variation order and additional charges will apply.

The language of the Contract shall be either English or Norwegian. Accordingly, all communications and documentation related to the Contract must be in the chosen language.

### **ACCEPTANCE TESTS. PASSING OF RISK – Clause 10**

*The following text shall be added at the end:*

If the Purchaser requests the acceptance test to be carried out at a location other than the place of manufacture, the Purchaser shall bear all additional costs of the Supplier in accordance with the Supplier's standard rates. The Purchaser shall ensure that the Supplier's personnel has necessary access to the location and means available to commence work in accordance with the agreed-upon time schedule and are able to work during normal working hours.

#### **DELIVERY. PASSING OF RISK – Clause 11**

*The fourth paragraph of clause 11 shall be deleted and replaced by the following:*

Partial delivery shall be permitted, unless otherwise agreed in writing.

#### **TIME FOR DELIVERY, DELAY – Clause 15**

*The first paragraph of clause 15 shall be deleted and replaced by the following:*

If the Product is not delivered at the time for delivery, and the Purchaser provides evidence that the delay was due to the Supplier's negligence, the Purchaser shall be entitled to liquidated damages starting from the date when the delivery should have taken place.

#### **TIME FOR DELIVERY, DELAY – Clause 18**

*The following text shall be added at the end:*

In case the Purchaser fails to take delivery as agreed, the Supplier will charge a storage fee of 1% of the Contract Price per month commenced, subject to a minimum charge of EUR 500. The commodities will be stored at the Purchasers risk.

#### **PAYMENT – Clause 20**

*The following paragraphs shall be added at the end:*

The Contract Price and any prices specified in a quotation or order confirmation issued by the Supplier are subject to change if:

- a) there is a fluctuation of plus or minus 2% or more in the exchange rate between the Norwegian Krone (NOK) and the relevant foreign currency that impacts the Sellers production costs and/or overall margin rates;
- b) there is an increase in shipping costs or cost of materials of more than 5 % from the date of the quotation or order confirmation until the date of shipment.

Should any substantial change occur in the Purchaser's financial and economic position, the following provisions shall apply:

- a) The Supplier is entitled to demand immediate payment for any unpaid balance and in addition hereto claim financial guarantees for future payments under the Contract within a deadline specified by the Supplier. The guarantee shall be issued in a format and by a first-class international bank acceptable to the Supplier.
- b) Should the Purchaser fail to comply within this deadline, the Purchaser will suspend installation of the Products until payment is made. The Seller shall also be authorized to retrieve the Products from the Purchaser's premises, and the Purchaser must not obstruct this retrieval.

#### **LIABILITY FOR DEFECTS – Clause 24**

*The second sentence of the first paragraph shall be replaced with:*



For Products to be installed at new ships, the warranty period commences upon delivery of the Product as per the agreed delivery term (INCOTERMS 2020) and shall expire 12 months after delivery of the vessel or 18 months from delivery of the Product(s), whichever expires first. The warranty is limited to repair or replacement of damaged parts and does not include labour costs.

For retrofit, upgrade, spare parts, and service, the Supplier provides a 12-month warranty, applicable from the date of delivery of these items or services.

#### **LIABILITY FOR DEFECTS – Clause 28**

*The first sentence of the first paragraph shall be replaced with:*

The Supplier's liability shall be limited to defects which appear within the applicable warranty period.

#### **LIABILITY FOR DEFECTS – Clause 30**

*The following sentence to be added at the end of Clause 30:*

If the Supplier and the Purchaser agree that the Supplier shall conduct service or repair work for which the Supplier is not otherwise obliged to perform under the contract, then Orgalim R17 with JETS' standard amendments shall apply and the Supplier may charge for such service/repair work at its prevailing rates.

#### **LIABILITY FOR DEFECTS – Clause 39**

*The following clause shall be added:*

The Supplier's total liability, regardless of the legal basis, shall be limited, in the aggregate for one or more events, to an amount equal to 25% of the Contract Price.

#### **ALLOCATION OF LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT – Clause 45**

*The first and second paragraph of clause 45 shall be deleted and replaced by the following:*

The Supplier shall not be liable for any damage to 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). Nor shall the Supplier be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's product form a part.

If the Supplier incurs liability towards any third party for such damage to property, personal injury or death as described in the preceding paragraph, the Purchaser shall indemnify, defend and hold Supplier harmless.

#### **FORCE MAJEURE – Clause 46**

*The second paragraph of clause 46 shall be deleted and replaced by the following:*

A circumstance referred to in this Clause whether occurring prior to or after the formation of the Contract shall give a right to suspension whether or not its effect on the performance of the Contract could have been foreseen at the time of the formation of the Contract.

#### **DISPUTES AND APPLICABLE LAW – Clause 51 and 52**

*Clause 51 and 52 shall be replaced by the following:*

This Contract shall be governed by and construed in accordance with Norwegian law.

Any dispute arising out of or in connection with this agreement, including any disputes regarding the existence, breach, termination or validity thereof, shall be finally settled by arbitration under the Nordic Offshore and Maritime Arbitration Association's ("NOMA") Arbitration Rules in force at the time when such arbitration proceedings are commenced. The arbitral tribunal shall be composed of three arbitrators unless otherwise agreed.

If the aggregate amount of the claim and counterclaim in dispute does not exceed [insert the amount, if no amount has been inserted, the default amount is USD 250,000], the arbitration shall be conducted in accordance with the NOMA Fast Track Arbitration Rules in force at the time when arbitration proceedings are commenced. The arbitral tribunal shall in such case be composed of one arbitrator unless otherwise agreed.

The dispute, the arbitration proceedings and the arbitral award shall be confidential.

During the arbitration, the NOMA Best Practice Guidelines shall be taken into account.

The venue for the arbitration shall be Ålesund, Norway and the language of the arbitration shall be English.

A party who seeks an amicable solution and settlement of the dispute may at any time, either prior or subsequent to the commencement of arbitration, initiate mediation according to the NOMA Mediation Rules by submitting to the other party or parties a written request for NOMA Mediation. An agreement to mediate does not preclude a party from initiating arbitration.

### **EXPORT CONTROL - Clause 53**

*The following title and clause shall be added as a new clause 53:*

The Supplier and the Purchaser acknowledge that any information provided or received may be subject to export control laws and regulations and each Party agrees 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 information or deliverables without complying in all respects with the applicable export control legislation, codes of conduct, relevant export licence(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 licence or authority.

Should any party be sanctioned according to the rules and regulations as stipulated above before delivery, the Supplier reserves the right to terminate the contract without incurring any costs or liability for consequential damages to the Purchaser.

### **RETURN OF PARTS – Clause 54**

*The following title and clause shall be added as a new clause 54:*

The Supplier may, at its sole discretion, agree to accept the return of certain ordered parts and components (other than complete Products) provided by the Supplier from time to time where the Purchaser no longer requires such parts or components. Where the Supplier agrees in writing to accept the return of parts and components, the Purchaser shall be entitled to return such Products under the following conditions:

- a) The returned Product shall be 'delivered duty paid' (as per Incoterms 2020) to the Supplier's nominated point of delivery, as notified to the Purchaser. For the purposes of applying Incoterms 2020 under this clause 51, the Purchaser shall be deemed the 'seller' and the Supplier shall be deemed the 'buyer';
- b) The Supplier shall have no obligation to accept the return of, or refund any portion of the amounts paid

- by the Purchaser for any Products:
- i. If the original packing of the Product has been opened or damaged;
  - ii. That have been damaged in transit from the Purchaser to the Supplier;
  - iii. Unless and until the Supplier has inspected the returned Product and is satisfied that the Product (including any packaging) is in a condition satisfactory to the Supplier; and
  - iv. That are delivered to the Supplier's nominated point of delivery more than 120 days after the date on which such products were originally dispatched by the Supplier to the Purchaser pursuant to a Binding order.
- c) Without otherwise limiting the Supplier's sole discretion as to whether or not to accept the return of Products, the Purchaser acknowledges that the Supplier will not accept the return of any Product:
- i. That has a total value (excluding freight charges) of NOK 3.000 or less;
  - ii. That consists of unused materials from kits or sets, or small Products such as O-rings, seals, washers and similar items;
  - iii. Which is degradable or has not been expressly marked as returnable;
- d) Where the Supplier has accepted the return of a Product and such Product has been returned to the Supplier, the Supplier shall promptly refund to the Purchaser the price paid by the Purchaser for such Product (exclusive of any freight charges and any applicable Taxes or other charges), subject to a restocking fee equal to 15% of the price of such returned Product.

#### **CROSS DEFAULT – CLAUSE 55**

*The following title and clause shall be added as a new clause 55:*

A failure by the Purchaser to meet the payments requirements and other material obligations under this Contract shall constitute an event of default under any other agreement entered into between the parties or their affiliates, whether existing at the time of this Contract or entered into thereafter.

For the purposes of this clause, a "default" shall include, but is not limited to:

- a) Non-payment of any sum due under this Contract or any related agreement within the stipulated time frame;
- b) Breach of any material obligation, covenant, or representation under this Contract or any related agreement;
- c) Insolvency, bankruptcy, or commencement of liquidation or similar proceedings by either party;
- d) Any other event or circumstance specified as a default under any related agreement.

Upon the occurrence of a default, the non-defaulting party shall have the right to:

- a) Suspend or terminate its obligations under this Agreement and any other agreement;
- b) Seek remedies available under applicable law or equity, including but not limited to damages;
- c) Accelerate any payments due under this Agreement or any related agreement, at its discretion.

The Supplier shall notify the other party in writing, specifying the nature of the default and the intended course of action.

The defaulting party shall be afforded a reasonable period to cure the default, provided such cure is feasible and does not adversely affect the non-defaulting party's rights under this Contract or any related agreement.

#### **WAIVER OF SUBROGATION – CLAUSE 56**

*The following title and clause shall be added as a new clause 55:*

Title:  
Orgalim S 2022 General terms and  
conditions with JETS Amendment

Approved date:  
05.03.2025

Last revision date:  
01.01.2025



The Purchaser shall instruct its insurers to waive any right of recourse or subrogation against the Supplier and shall indemnify and hold harmless the Supplier for any claim related hereto.