PURCHASE AND DELIVERY TERMS AND CONDITIONS

for

PLA-MEK AS – Company Registration No. 964 837 090

1. Introduction and definitions

1.1 These purchase and delivery terms and conditions (the "General Terms") apply to all orders and purchases made by Pla-Mek AS unless the parties have entered into another written agreement. The terms are available on Pla-Mek AS' website, www.pla-mek.no. By accepting any order or purchase from Pla-Mek AS, the Supplier shall be deemed to have accepted these terms, unless otherwise expressly agreed in writing. These terms and conditions of purchase and delivery may be amended by Pla-Mek AS from time to time. The latest version is always available on our website at www.pla-mek.no. Changes to the terms apply to orders submitted by the Customer after the revised version has been published on our website. Upon the Customer's request, Pla-Mek AS will provide a copy of the current version of these terms and conditions of sale and delivery.

1.2

- "*Buyer*" means Pla-Mek AS, unless otherwise agreed.
- "*Supplier*" means the legal or natural person supplying goods and/or services to the Buyer pursuant to a Purchase Order.
- "*Purchase Order*" means a written confirmation from the Buyer to the Supplier for the purchase of goods and/or services for the Buyer.
- "*Force Majeure*" means an event or circumstance as defined as force majeure in ICC Publication No. 650, which is beyond the parties' control and which prevents or substantially impedes performance of the contractual obligations.
- "*General Terms*" means these general purchase terms and conditions.
- "*Goods*" means all physical products, equipment, documentation and other items to be supplied by the Supplier to the Buyer pursuant to a Purchase Order.
- "*Services*" means all services, including consultancy, development, design, production or other services, to be supplied by the Supplier to the Buyer pursuant to a Purchase Order.
- "*Price*" means the aggregate consideration payable by the Buyer for goods and/or services under the Purchase Order, as originally agreed or as subsequently amended in writing between the parties

2. Quotations, orders and order confirmations

2.1 All quotations and cost estimates shall be free of charge and non-binding on the Buyer.

2.2 Purchase Orders shall be issued by the Buyer, and the Supplier shall confirm the Purchase Order within 5 – five – business days of receipt. Order confirmations received after that time shall be binding on the Buyer only if the Buyer expressly confirms its acceptance of the late order confirmation.

2.3 If the Supplier's order confirmation deviates from the Buyer's Purchase Order, the Buyer shall be bound only if the Buyer has expressly accepted the deviation in writing. If the Supplier supplies Goods or Services without such express written acceptance from the Buyer, these General Terms shall apply.

2.4 Any deviating terms notified by the Supplier by reference to general terms and conditions in a quotation and/or order confirmation shall be valid only if accepted in writing by the Buyer.

2.5 The Supplier shall, before commencing production, apply its professional expertise to identify and notify the Buyer of any errors and/or deficiencies in the Purchase Order, including any constructions, materials, designs, specifications or other input provided by the Buyer. The Supplier shall immediately — and no later than within five days — give written notice to the Buyer of any such errors and/or deficiencies.

2.6 The Supplier shall continuously inform the Buyer of all circumstances relevant to the Supplier's performance under the Purchase Order. Such notices shall be sufficiently clear and detailed to enable proper performance of the Purchase Order

3. Delivery

3.1 Unless otherwise stated in the Purchase Order, delivery shall be made DDP – Delivered Duty Paid – in accordance with Incoterms 2010, at the time and place specified in the Purchase Order, or any replacement standard that supersedes it.

4. Changes to the delivery

4.1 The Buyer has the right to require changes to be made to the delivery time, and to increase or reduce the quality, quantity, nature, type, functions and characteristics of the delivery of Goods and Services, or any part thereof, provided that such changes do not exceed what the parties could reasonably have expected when the Purchase Order was issued.

4.2 Any change shall be made in writing by the Buyer. The Supplier shall, within five business days, confirm in writing any effects of the change on price, delivery time and technical specifications. Any price adjustment shall be made on the basis of the method and principles underlying the Purchase Order generally. If the Supplier does not provide written confirmation within the stated period of five days, the Supplier shall be deemed to have accepted the change without any effect on price, delivery time or any other matters. The final change shall be approved in writing by the Buyer before it constitutes a valid agreement to amend the Purchase Order.

4.3 The Supplier shall implement the Buyer’s change instruction at the Buyer’s request, even if the parties have not agreed on the price, delivery time and/or technical specifications. The Buyer and the Supplier shall thereafter seek to resolve the disagreement amicably and, as a last resort, in accordance with the dispute resolution provisions of the contract.

5. Documentation

5.1 All documentation specified in the Purchase Order (drawings, data disks, etc.) shall be deemed to form part of the delivery.

5.2 Delivery notes, packing slips and invoices shall correspond with the Purchase Order in respect of descriptions, specifications, etc.

5.3 All certificates and other documentation shall clearly identify the specific items to which they relate.

6. Payment terms

6.1 Unless otherwise agreed between the parties, all invoices from the Supplier to the Buyer shall fall due for payment 90 days from receipt of a correct invoice.

6.2 Where the Supplier has failed to fulfil any of its obligations under the Purchase Order, the Buyer shall be entitled to withhold payment of any disputed amounts. Any default interest shall be calculated at the applicable rate pursuant to the Norwegian Act relating to Interest on Overdue Payments of 1976.

6.3 Unless otherwise expressly agreed in writing, all prices/unit prices (where applicable) shall:

- be fixed and binding and shall not be subject to adjustment;
- be fully inclusive and constitute the Supplier’s sole compensation. The prices shall include, but not be limited to, all taxes and duties (except value added tax), licences, service charges, customs duties, import and export duties;
- be exclusive of value added tax (VAT); and
- be paid in the currency specified in the contract.

7. Defects

7.1 The Supplier warrants that the Goods and Services, upon delivery, comply with applicable laws and regulations, conform to the specifications in the Purchase Order, and are free from errors/defects for a period of two years from delivery.

7.2 Goods and Services shall be deemed to be defective if, without limitation::

- they deviate from the Purchase Order;
- they do not possess the characteristics represented by the Supplier through samples, prototypes, marketing, etc.;
- they are not as safe as the Buyer could reasonably expect;
- they are not fit for the purpose for which the Buyer intended them to be used, or deviate from what the Buyer could reasonably expect; or
- the warranty period expires and the relevant Good and/or Service is defective after expiry of the warranty period, and the defect is reasonably deemed to have existed at the time of delivery.

7.3 In the event of errors and/or defects, the Supplier shall immediately remedy the defect at its own cost. If the Supplier fails to remedy the defect within a reasonable period following notice from the Buyer, the Buyer shall be entitled, without further notice, to remedy the defect itself or have the defect remedied by a third party, at the Supplier's expense.

7.4 In the event of a material defect, or if the Supplier fails to provide replacement delivery or rectification in accordance with clause 7.3, the Buyer may terminate the Agreement. If only part of the delivery is defective, the Buyer may terminate the Agreement in respect of the defective part only..

7.5 The Buyer shall be entitled to claim damages for any loss suffered by it as a result of any defect in the Goods or Services.

7.6 The Buyer shall also have corresponding rights against the Supplier in respect of defects identified after expiry of the warranty period if the defect is reasonably deemed to arose during the warranty period.

7.7 Any remedial work performed under the warranty shall be subject to a new warranty period of the same duration as the original warranty period.

8. Delay

8.1 If the Supplier has reason to believe that delivery of Goods and/or Services may be delayed, the Supplier shall immediately notify the Buyer in writing. The notice shall state the cause and extent of the delay and specifically identify the remedial measures that have been implemented and will be implemented to limit the delay. If, in the Buyer's opinion, the Supplier's measures are not sufficient to limit the delay, the Buyer shall be entitled to require additional measures to be implemented. The Buyer shall also have the right to take such measures itself after notifying the Supplier. All measures under this clause shall be carried out entirely at the Supplier's expense.

8.2 If delivery of Goods and/or Services is not made by the delivery date specified in the Purchase Order, the Buyer shall be entitled to claim liquidated damages corresponding to three per cent (3%) of the Price under the Purchase Order for each commenced week until delivery is made. The maximum liquidated damages shall be thirty per cent (30%) of the Price.

9. Termination

9.1 The Buyer may, by written notice to the Supplier, terminate the agreement formed under the Purchase Order with immediate effect if:

- the Supplier materially breaches its obligations under the purchase agreement;
- the maximum liquidated damages have accrued;
- the purpose of the delivery is substantially defeated as a result of delay, including where the delay means that the delivery cannot be used for its intended purpose; or
- a petition is filed, notice is given, a resolution is passed or an order is made for the Supplier's liquidation, bankruptcy, reconstruction or composition proceedings.

9.2 In addition to the Buyer's right to terminate the agreement, the Supplier shall be liable to pay damages for all direct and indirect losses, including costs incurred, which the termination has caused or will cause the Buyer.

10. Intellectual property rights

10.1 If a Purchase Order includes design work or the preparation of drawings, specifications, moulds, patterns, tools, software or other intellectual property rights, all such deliverables shall be the sole property of the Buyer.

10.2 Technical constructions/designs, specifications, data disks and other information and documentation supplied by the Buyer to the Supplier are the Buyer's property, and the Supplier shall refrain from disclosing any of the same to any third party without the Buyer's prior written consent. The Buyer has the right to require the Supplier to sign separate confidentiality undertakings for his purpose.

10.3 The Supplier shall compensate the Buyer for all direct and indirect losses incurred by the Buyer as a result of the Supplier's infringement of the Buyer's patent rights, trademarks, copyright or other intellectual property rights.

10.4 The Supplier shall indemnify and hold the Buyer harmless against any third-party claim for damages arising as a result of the Goods infringing a third party's patent, copyright or other intellectual property rights.

10.5 If the Goods infringe a third party's patent, copyright or other intellectual property rights, the Supplier shall, within a reasonable period and at its own option:

- secure for the Buyer the right to continue using the Goods;
- modify the Goods so that the infringement no longer exists; or
- replace the Goods with another product of equivalent function, the use of which does not involve any infringement.

If the Supplier fails to take corrective action or otherwise remedy the matter within a reasonable period in accordance with this clause 10.5, the Buyer may, upon five (5) days' written notice and at its option:

- at the Supplier's cost and risk, carry out, or cause to be carried out, the necessary measures to:
  - secure the Buyer's right to continue using the Goods;
  - modify the Goods so that the infringement no longer exists; or
  - replace the Goods with another product of equivalent function, the use of which does not involve any infringement; or
- terminate the agreement by written notice to the Supplier.

11. Quality control and quality assurance

11.1 The Supplier shall be able to provide evidence of a quality system in accordance with ISO 9001 or equivalent. The Supplier shall also be able to provide evidence of a Health, Safety and Environment (HSE) system that complies with applicable laws and regulations.

11.2 The Buyer, or any person(s) appointed by the Buyer, shall have the right to carry out verification, inspections and tests, including audits, at the Supplier's premises and at the premises of any subcontractors, in order to varify that the Goods are manufactured and the Services are performed in accordance with the requirements of the Purchase Order. Such inspections and verifications shall not release the Supplier from any of its obligations under the Purchase Order.

12. Subcontractors

12.1 The Supplier shall not assign, transfer or subcontract the Purchase Order, or any part of it, to any third party without the Buyer's prior written consent. The Supplier shall remain fully responsible for all acts and omissions of any subcontractor, whether or not the Buyer has given such consent. No subcontractor shall have any right to bring any claim against the Buyer.

12.2 The Supplier shall ensure that any subcontractor provides the Buyer with evidence of a quality management system which, in the Buyer's opinion, is adequate for the purposes of the Purchase Order.

12.3 The Buyer may assign or transfer the Purchase Order, any part of it, or any rights and obligations under it to a third party by giving prior written notice to the Supplier.

13. Force Majeure

13.1 A failure to perform the Purchase Order shall not constitute a breach to the extent that performance is prevented or delayed by Force Majeure.

13.2 A party invoking Force Majeure shall immediately notify the other party in writing when such event occurs and when it is expected to cease. The party invoking Force Majeure shall also take all necessary measures to mitigate the effects of the Force Majeure event and to perform its obligations under the Purchase Order to the greatest extent possible.

13.3 If performance of the Purchase Order is suspended for more than six (6) months, the party not invoking Force Majeure may terminate the Purchase Order by written notice to the party invoking Force Majeure. The Buyer may also terminate the Agreement if the purpose of the Agreement is substantially defeated as a result of the delay.

13.4 The party terminating the Purchase Order or Agreement pursuant to this clause 13 shall not be liable for damages by reason of such termination.

14. Indemnities and Other Liability

14.1 Each party shall bear the risk of any loss of or damage to its own property, and any personal injury to or death of its own employees, in each case arising in connection with the performance of the Purchase Order, regardless of cause. Neither party shall have any claim against the other party in respect of such loss, damage, injury or death, except to the extent caused by the other party's wilful misconduct or gross negligence. Any claim permitted under this clause shall not include indirect or consequential loss.

14.2 The Supplier shall indemnify the Buyer against any loss or damage suffered by any third party to the extent caused by acts or omissions of the Supplier or its subcontractors.

14.3 The Supplier shall be solely responsible for the payment of all amounts relating to income taxes, sales taxes, use taxes, employment-related taxes, employer's social security contributions and other taxes, duties, customs duties, excise duties, import duties and other charges arising out of or in connection with the delivery, including corresponding amounts relating to the Supplier's subcontractors or their employees, to the extent attributable to the Purchase Order. This obligation shall apply until completion of the Purchase Order, including any termination of the Purchase Order.

14.4 The Supplier shall take out and maintain adequate insurance coverage for any loss, damage, liability, cost or expense that the Buyer may suffer or incur in connection with the Supplier's performance of the Purchase Order.

15. Title to the Product

15.1 Title to the Goods shall pass to the Buyer progressively as the work proceeds. The Supplier shall clearly mark the Goods with the relevant Purchase Order and keep them separate from the Supplier's other assets.

16. Disputes and Governing Law etc.

16.1 The parties shall seek to resolve any dispute through negotiations.

16.2 Any dispute that cannot be resolved amicably shall be governed by Norwegian law and shall be brought before Sunnmøre District Court as the agreed legal venue.

16.3 These Purchase and Delivery Terms and Conditions have been prepared in Norwegian and translated into English. In the event of any discrepancy, inconsistency or conflict between the Norwegian version and the English version, the Norwegian version shall prevail.