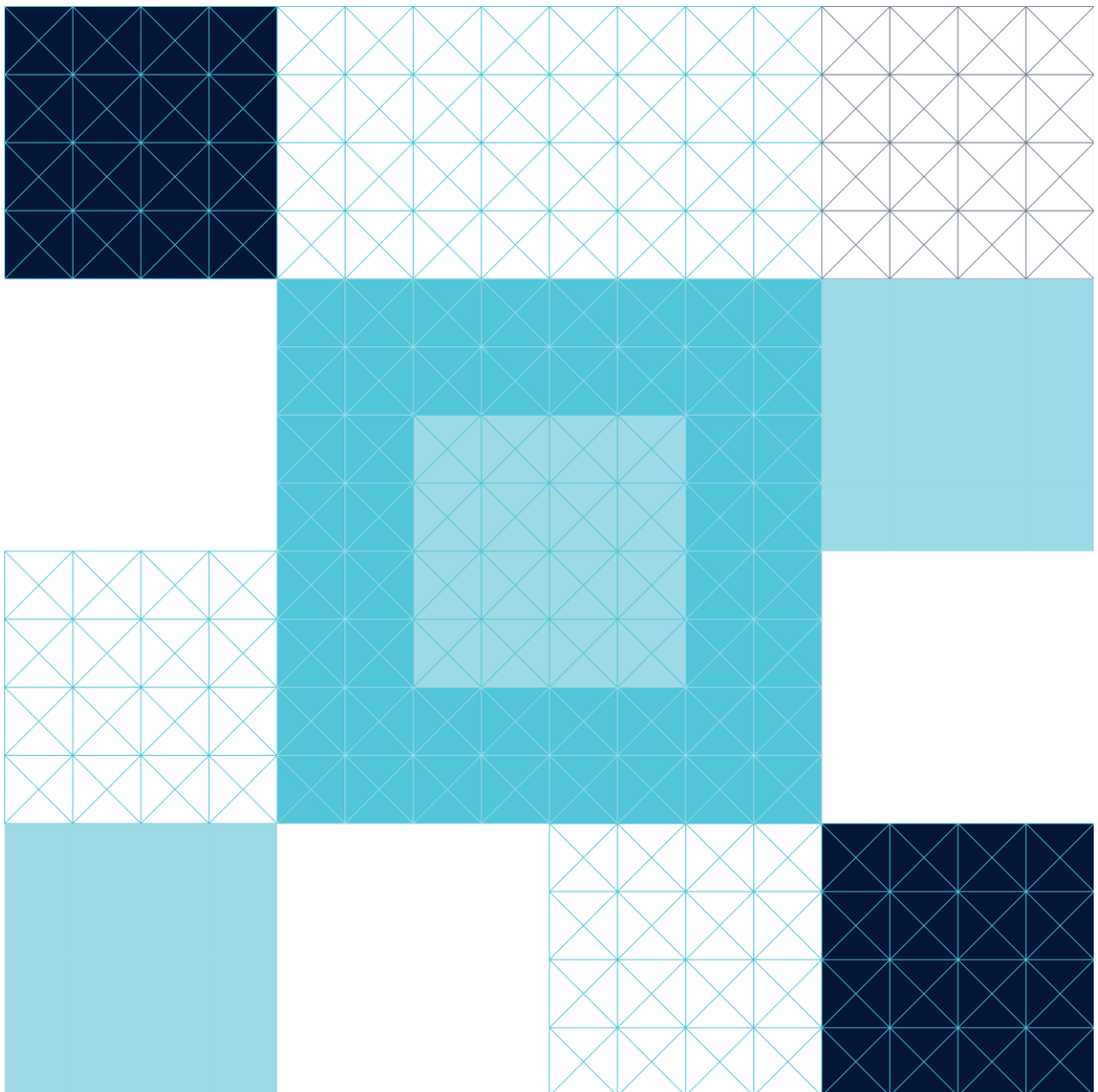




KONGSBERG

General Conditions of Purchase

("GCP")



DEFINITIONS

“**Affiliate**” means any person, partnership, corporation, association or other legal entity that, as of the Effective Date or at any point thereafter while this GCP is effective, controls, is controlled by, or is under common control with either Party, and “**control**” means (a) a right to exercise 50% (fifty percent) or more of the outstanding voting rights in such entity or Party, or the maximum percentage permitted under local laws or regulations in those countries where more than 50% (fifty percent) ownership by a foreign entity is not permitted, or (b) the ability to direct the management or policies of such entity or Party, whether through ownership, contract, internal policies or otherwise.

“**Background IP**” means all respective Intellectual Property owned, developed, conceived, acquired, or obtained by a Party prior to the SA/Order.

“**Competitor**” means the acquirer or any entity in the same corporate structure, including but not limited to parent, subsidiary, joint venture company that, in the sole opinion of KD offers or sells products or services in competition with the products or services offered or sold by an entity of the KONGSBERG group.

“**Controlling Interest**” means any interest sufficient to give the power to secure by law or corporate action the ability to direct and conduct the business of the Supplier.

“**Deliverables**” means those goods and services listed in Schedule 1 to the SA or any other goods, services and work for which KD places an Order.

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

“**Foreground IP**” means an Intellectual Property developed, conceived, acquired, or obtained by the Supplier as part of the work during the performance of the SA/Order.

“**GCP**” means these General Conditions of Purchase, which are applicable and attached to an Order or an SA as Schedule 2 and/or incorporated therein by reference.

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

“**Intellectual Property**” or “**IP**” means any and all inventions whether or not patentable, patents, utility models, trademarks, component designs or manufacturing processes and any improvements or enhancements thereto, copyrights and moral rights, design rights, database rights, trade secrets know-how, goodwill, and methods, in each case whether registered or unregistered, and also including identified technical and non-technical or business-related information such as specifications, computer programs, IP addresses drawings or blueprints.

“**IntegrityNext**” means a cloud-based platform that enables KD to monitor its entire supply base for sustainability and compliance.

“**KD**” or “**Kongsberg**” means the entity or entities and any Affiliate thereof that have entered into SA / GCP or created a contract with the Supplier accepting an Order.

“**Non-Conformance**” means the situation when any Deliverable does not conform to the requirements set out in Clauses 6.1 and 6.2.

“**Order**” means a purchase order issued by KD In Writing, which lists the Deliverables to be provided by the Supplier in accordance with the Supply Conditions.

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

“**Proprietary Information**” means all commercial, financial, technical or operational information, and any intellectual property not publicly known or available, which by its nature is confidential, and such information that has been or may be disclosed or otherwise made available in whole or in part to a receiving Party or any Representative in any form or medium.

“**Representative**” means any one or more directors, officers, temporarily contracted personnel, or Affiliate of a Party.

“**SA**” means any supply agreement signed between Kongsberg and the Supplier.

“**Statement of Work**” means a description of the Deliverables to be performed by the Supplier.

“**Specification**” means the specification of the Deliverables, including but not limited to quality, design, and construction.

“**Supplier**” means the entity or entities that have signed a SA / GCP or created a contract with KD accepting an Order.

“**Supply Conditions**” means GCP together with an Order, any executed SA concerning the Deliverables between the Parties, any Specification or Statement of Work referenced in the Order or SA and any mandatory legislation.

“**VAT**” means value added tax or any other similar tax.

1. **GENERAL:** These GCP together with any other Supply Conditions entered into between KD and the Supplier are the only conditions on which KD procures Deliverables. Any terms other than the Supply Conditions will be null and void. KD and the Supplier are referred to individually as a "Party" and together as the "Parties". Each of the KD Affiliates will be severally but not jointly liable under the Supply Conditions.
2. **TITLE AND RISK:** Title to goods will pass to KD upon delivery according to the agreed INCOTERMS 2020 or as otherwise stated in an Order. If the Supplier is responsible for installation, implementation, integration or commissioning, passing of risk shall however remain with the Supplier until completion of Deliverables.
3. **DELIVERY:** Timely delivery in accordance with the Order is a material condition of the Supply Conditions. Unless otherwise stated in an Order, delivery term is **FCA the Supplier's address specified in an Order (INCOTERMS 2020)**. If the delivery times as set out in the Order cannot be met or at any time at KD's request, the Supplier will provide prompt information as to the causes and the mitigation action it proposes to take. KD may at its sole discretion, require the Supplier to suspend all performance under an Order for a period of up to 6 (six) months. In the event of any suspension of the Supplier's performance under this Clause, KD's obligation to pay for such Deliverables will be suspended for the same period of time.
4. **PAYMENT TERM AND INVOICES:**
 - 4.1. The price stated on the Order is exclusive of VAT payable in KD's jurisdiction of incorporation but includes all other taxes, duties and levies.
 - 4.2. Where the Supply Conditions require the Supplier to submit an invoice, the Supplier will post invoices in the same language as the relevant Order to KD at the address on the Order on the day on which Deliverables are dispatched or completed. The invoice will include the Order number.
 - 4.3. Unless otherwise stated on the Order, KD will electronically transfer payment to the Supplier 60 (sixty) days after the date on which the relevant Deliverables have been received at the delivery location stated in an Order, and an accurate invoice has been provided. However, in no event shall such term exceed 90 (ninety) days after INCOTERMS delivery. If such day is not a normal banking day, then electronic transfer of payment will be on the next banking day. In the event of late payment by KD, the Supplier shall be entitled to charge KD an annual interest rate of 5% (five percent). Without prejudice to KD's other rights and remedies, KD may deduct from any payments due to the Supplier under any Supply Condition the amount of any bona fide contra accounts that KD has against the Supplier in connection with the Supply Conditions.
5. **KD PROPERTY:** Any items held by the Supplier which KD has paid for in full or which KD may have loaned, bailed, consigned or supplied to the Supplier for the execution of an Order will be at the Supplier's risk until delivered to KD. The Supplier will be fully liable for any damage caused to such items whilst in its possession. The Supplier will retain such items in good condition during performance and after completion of an Order and will not dispose such items except in accordance with KD's written instructions nor will such items be used other than for the purpose of such Order without KD's prior consent In Writing. The Supplier will ensure that such items are at all times identified as the property of KD and do not become the subject of any encumbrance.
6. **QUALITY, WARRANTY AND CLASSIFICATION SOCIETY:**
 - 6.1. To the extent applicable for the performance of an Order, the Supplier will comply with all quality requirements of KD, all Specification requirements and any other requirements set out in an Order or the Supply Conditions. The Supplier will ensure that it and its personnel will comply with all relevant mandatory law regulations (including environmental and conflict minerals regulations), KD requirements and codes of practice as follows: (a) KONGSBERG Supplier Conduct Principles; (b) Supplier Quality Requirements. These and all other applicable documents are found on the KD website at <https://www.kongsberg.com/discovery/about-us/how-we-operate/for-suppliers/>. The Supplier agrees that KD or its designated agent upon prior notice will have the right to enter the Supplier's facilities at reasonable times to inspect the facility, Deliverables, materials and any property of KD. Such inspection will not constitute or imply acceptance of any Deliverables.
 - 6.2. The Supplier warrants that all Deliverables will conform to the Supply Conditions and will be free from defects in material, workmanship and, if the Supplier has responsibility for design, the Supplier further warrants that all Deliverables will be free from defects in design. For Deliverables that are services or work, the Supplier warrants that such services and work will be performed with reasonable skill, care and diligence and will conform to any service description and/or required service levels and/or KPIs specified in the Supply Conditions. For Deliverables that are or contain software or involve software development, and for any software the Supplier licenses to KD, the Supplier warrants that the software is a currently supported version, is fit for KD's intended purpose, and at the time of delivery is free of any computer viruses and other harmful, malicious, or hidden programs, data, or other computer instructions. The Supplier warrants that no part of the Deliverables include, is integrated, bundled or linked with any software that is based upon Open Source. No deviation from this warranty shall be regarded as validly accepted by KD; unless and to the extent the Supplier: (a) explicitly and conspicuously has listed any and all Open Source based software with a brief description of their function separately; and (b) duly provided KD with this information In Writing together with correct versions of all relevant license terms and conditions; and (c) thereafter obtained an explicit complete and corresponding acceptance for the deviation In Writing from an authorised KD Representative, included as part of each relevant Order from KD where such a deviation is regarded as made. The Supplier shall hold harmless, defend and indemnify KD from and against any claims, costs, losses and damages resulting from a breach of this warranty. KD's warranty claims shall be presented at the latest 30 (thirty) days following the expiry of the warranty period.
 - 6.3. Without prejudice to KD's other rights and remedies and unless otherwise stated on an Order, the warranties made in Clause 6.2 of the GCP will apply for a period of 36 (thirty-six) months from delivery to KD or 24 (twenty-four) months from completion of commissioning (whichever is longer). Any Deliverables repaired or replaced in accordance with this Clause shall be warranted subject to the same warranty obligations as for the original Deliverables from the successful installation of such replaced or repaired Deliverables for the periods set out in this Clause. Notwithstanding the provisions of this Clause, in the event that Supplier's warranty rights granted by the Supplier's suppliers are exceeding the rights granted to KD pursuant to this Clause, then the Supplier shall extend KD's warranty rights accordingly.

- 6.4. If any Deliverable shows Non-Conformance and without prejudice to KD's other rights and remedies, the Supplier will promptly replace or re-perform or, where appropriate, repair or rectify any such Non-Conformance at its own expense. Within 72 (seventy-two) hours of receipt of written notice of Non-Conformance, the Supplier shall provide KD with a confirmation of the date by which the Non-Conformance shall be corrected. If the Supplier fails to promptly repair, rectify or replace any Non-Conformance subject to KD's instructions, KD may, without prejudice to its other rights and remedies, (a) choose to accept the Non-Conformance and KD will be entitled to reasonably adjust the Order price; or, at the Supplier's cost and risk, (b) rectify or arrange to have rectified such Non-Conformance by itself or by a third party, and the Supplier shall reimburse KD all costs and expenses resulting there from; or (c) procure Deliverables from alternate sources in order to meet customer requirements. Return of defective or non-conforming Deliverable and transportation of replacement Deliverable shall be at the Supplier's cost and risk.
- 6.5. If a classification society approval is requested, the Supplier shall handle this on behalf of KD and will charge such cost to KD as a pass-through cost only, without any uplift or margin of any kind. If (a) more than one classification society is requested; or, (b) a change of the classification society during the manufacturing period is requested, the Supplier will attempt to organize this without extra cost. Where the Supplier believes it is impossible to accommodate (a) and/or (b) without extra cost to KD, the Supplier must provide a full breakdown of the costs of accommodating (a) and/or (b) and must, if requested by KD, substantiate such costs through quotations, invoices, or other documentation.

7. TERMINATION:

- 7.1. Without prejudice to any of its other rights and remedies, KD may immediately terminate an Order in whole or in part In Writing by written notice to the Supplier, whereupon the Supplier will immediately cease all work on that Order. KD will pay the Supplier in full and final satisfaction of all claims arising out of such termination: the price of all Deliverables which the Supplier has justifiably produced and completed until the date of such termination not already paid for the cost of settling any legally justified claims in connection with the necessary termination of sub contracts justifiably entered into in respect of the terminated Order or part thereof and the cost to the Supplier of any justified work in progress in respect of such Order.
- 7.2. The amount payable to the Supplier under Clause 7.1 above will not exceed the total amount that would have been payable to the Supplier for the Deliverables and payment is subject to the Supplier submitting its notice of claim within 2 (two) calendar months of the termination date. Any finished Deliverables and any work in progress paid for by KD under Clause 7.1 above will be delivered to KD or be held by the Supplier as KD property in accordance with Clause 5 above.
- 7.3. If KD has reasonable grounds for believing the Supplier will be unable to substantially fulfil its obligations under the Supply Conditions, KD may require the Supplier to provide reasonable written evidence that the Supplier will fulfil its obligations. If the Supplier fails to provide such evidence within 30 (thirty) days of KD's request, KD may treat that failure as a material breach and terminate the relevant Order or any agreement relating to the Deliverables in whole or part without any liability.
- 7.4. Either Party has the right, without prejudice to its other rights and remedies, to immediately terminate any Order or the SA without liability, if the other Party commits any material breach of any of its obligations under the Supply Conditions which, if the breach is remediable, it fails to rectify within a reasonable notice period stated by the first Party in its written notice of that breach (no notice period will apply for a breach of delivery terms). Either Party has the right, without prejudice to its other rights and remedies to immediately terminate any Order or the SA without liability if the other Party makes a general arrangement with its creditors; or ceases or threatens to cease to carry on its business or a substantial part of it or is unable to pay its debts within the meaning of the applicable law as defined below; enters into liquidation whether compulsory or voluntary, except as a solvent company for the purposes of amalgamation or reconstruction; or has an administrator or administrative receiver of the whole or part of its assets appointed.

8. INTELLECTUAL PROPERTY:

- 8.1. Unless otherwise explicitly stated in the Supply Conditions, all Foreground IP will immediately on creation, be owned solely and absolutely by KD and will be kept confidential by the Supplier whilst in the Supplier's or its sub-contractors' possession and control.
- 8.2. Each Party shall retain all rights, title and interest in and to its Background IP. Nothing in the Supply Conditions shall transfer ownership of Background IP from or to any Party. No rights or licences in IP are granted save as expressly set out in the Supply Conditions.
- 8.3. Subject to the Supplier's compliance with the Supply Conditions, KD grants to the Supplier for the period of time needed to fulfil the Order, a non-exclusive, non-transferable, royalty-free, personal license to use KD's Background IP to the extent necessary for fulfilling the Supplier's obligations under the Supply Conditions. The Supplier may not sub-licence this licence without the express consent of KD In Writing.
- 8.4. The Supplier hereby grants to KD the worldwide, perpetual, irrevocable, paid-up, sub-licensable right to use the Supplier's Background IP (a) to fulfil its obligations under the Supply Conditions; and (b) to use and benefit from any Foreground IP owned by KD in accordance with Clause 8.1 of the Supply Conditions for any purpose whatsoever.
- 8.5. To the extent permitted by law, the Supplier hereby assigns (by way of present assignment of future rights) and procures the assignment to KD, absolutely and with full title guarantee, all rights in and to such KD-owned Foreground IP, created by the Supplier, its employees, Affiliates and sub-contractors together with the right to sue for damages and other remedies for any infringement of any of such rights which occurred prior to and after the date of the assignment. To the extent permitted by law, the Supplier will hold on trust, for the exclusive benefit of KD, any and all KD-owned Foreground IP, until the assignment to KD referred to in this Clause is fulfilled. The Supplier will furthermore assist and co-operate, and procure the assistance and co-operation of its personnel with KD in filing and presenting patent applications in relation to any invention conceived or made by it, its Affiliates, sub-contractors or agents in respect of the Deliverables.
- 8.6. If any allegation is made or any claim asserted against KD, or any person claiming title from or through KD, that any act done or proposed to be done in relation to Deliverables constitutes a violation or infringement of IP right held by a third party, the Supplier will indemnify KD and hold KD harmless for and against any loss or damage (including, without limitation, all costs and expenses) arising directly or indirectly out of such allegation or claim howsoever caused unless the allegation or claim is the direct result of the Supplier following a design or process required by KD.

- 8.7. In case of such allegation or claim received from a third party in accordance with Clause 8.6, the Supplier shall at its own cost either:
- (a) arrange a settlement granting KD the right to use Deliverables; or
 - (b) change or amend Deliverables so that the alleged infringement ceases, provided that the change is such that it may reasonably be accepted by KD; or
 - (c) replace Deliverables by similar or interchangeable ones which do not infringe any third party IP rights, provided that the replacement is such that it may reasonably be accepted by KD.
- 8.8. In addition to the indemnity set out in Clause 8.6 the Supplier will procure for KD a worldwide, non-exclusive, royalty-free, irrevocable license of that of the Supplier's Background IP which is necessary to manufacture, use and sell the Deliverables or have such replaced with substantially equivalent non-infringing Deliverables.
- 9. PROPRIETARY INFORMATION:**
- 9.1. The following provisions shall apply if and to the extent, it does not contradict the provisions of any applicable confidentiality agreement or similar agreement between the Parties. The Parties agree to exchange and disclose to each other certain of their Proprietary Information. Such information may include hardware, software, component design, manufacture, inspection, repair and overhaul, business information relating to supplies, pricing, costs, profits, business plans and strategies, customer or vendor lists and legal or financial advice. Documents containing Proprietary Information should be marked as "Proprietary", "Company Shared" or "Company Protected Shared", and for non-US purposes the term "Confidential" may be used instead however, the Parties agree that such information will be considered Proprietary Information, even if it is inadvertently not marked as such. Proprietary Information will be disclosed only as necessary and only for the purpose of fulfilling an Order. Title to any Proprietary Information will not be affected by any such exchange or disclosure.
- 9.2. Any Proprietary Information disclosed by one Party to the other in connection with an Order, proposed Order, enquiry or request for information will be treated in confidence and will not be copied or disclosed to any third party without the prior written consent of the disclosing Party. Such obligation to obtain prior written consent will not apply if a Party is disclosing Proprietary Information to permitted subcontractors, subject always to confidentiality provisions being materially the same as those set out herein. The receiving Party may only disclose Proprietary Information to its Representatives and permitted subcontractors on a need-to-know basis in connection with these Supply Conditions. The receiving Party will, at its sole cost and expense, ensure that the nondisclosure obligations of these Supply Conditions are known, understood by and complied with by its Representatives. The receiving Party will be liable for any and all breach of confidence by its Representatives. These provisions do not apply to Proprietary Information that: (a) is in the public domain at the time of receipt by the receiving Party through no fault of the receiving Party; (b) is lawfully received by the receiving Party from a third party who is without an obligation of nondisclosure; (c) is developed by the receiving Party independently of the Proprietary Information, as established by extrinsic evidence, or (d) is known by the receiving Party at the time of receipt.
- 9.3. The receiving Party will make only such copies or duplicates of any Proprietary Information as are necessary for the purposes contemplated. All copies will be maintained in confidence in the same manner as the originals from which the copies were made.
- 9.4. Upon expiry or termination of an Order, the receiving Party will destroy, or return upon request, any Proprietary Information, including all copies, belonging to the other Party disclosed in relation to that Order. The receiving Party acknowledges that it has no rights of use in or to such Proprietary Information after the return date or date of destruction. In addition, the Supplier will not without the prior written consent of KD, use any KD Proprietary Information to manufacture, supply, design, develop, sell, or provide goods, work, or services to any third party.
- 9.5. If the receiving Party or any of its Representatives believes it is required by law or is otherwise obliged to disclose any Proprietary Information to any third party for any reason, the receiving Party will provide the disclosing Party with immediate written notice of such requirement or obligation (together with a copy of any relevant access request, court order, or other evidence giving rise to such belief) to enable the disclosing Party to seek appropriate protective relief or to take steps to resist or narrow the scope of any required disclosure. The receiving Party will co-operate with the disclosing Party with respect to such matters and will in any event disclose only such Proprietary Information as it has ascertained, after taking legal advice, it is legally compelled to disclose, and will ensure to the best of its ability that all Proprietary Information so disclosed is accorded confidential treatment. The receiving Party will always notify the disclosing Party In Writing of the means, content and timing of such disclosure prior to such disclosure being made.
- 9.6. The Supplier will make sure that all KD Proprietary Information that is in the possession of the Supplier's sub-tier suppliers, sub-contractors and agents will be held in confidence and that it will take all necessary steps and actions to ensure that any such third party complies with all confidentiality provisions herein. The Supplier will indemnify and hold KD harmless in the event of any breach of such provisions by any such third parties. Furthermore, the Supplier will notify KD immediately on becoming aware of a breach or a potential breach and will inform KD of what actions it is taking to prevent or remedy such breach or potential breach to ensure risks to KD are mitigated. KD reserves the right to take its own action against any such third party that misuses or that might reasonably misuse its Proprietary Information and to direct the Supplier to take certain actions.
- 9.7. Without prejudice to any other rights and remedies the disclosing Party may have, the receiving Party acknowledges and agrees that damages alone may not be an adequate remedy for any breach of the provisions of this provision by the receiving Party or its Representatives and accordingly, the receiving Party agrees that the disclosing Party may be entitled, without proof of special damage, to other remedies available in the jurisdiction set out in Clause 22, as injunction, specific performance and other equitable relief. The rights and remedies of the Parties will not be diminished, waived or extinguished by the granting of any indulgence, forbearance or extension of time by the disclosing Party to the receiving Party or its Representative nor by any failure of or delay by the disclosing Party in ascertaining or exercising any such rights or remedies.
- 9.8. The confidence obligations of the receiving Party with respect to Proprietary Information shall survive into perpetuity or until the Proprietary Information falls into the public domain through no fault of the receiving Party.

10. COMPETITOR CONTROLLING INTEREST:

- 10.1. While the Supplier is under contract to KD, if any third party or parties (acting together) takes any steps to acquire a Controlling Interest in the Supplier, its sub-contractor or any holding company, subsidiary, group company or division of the Supplier, the Supplier shall if legally allowed to do so, immediately notify KD In Writing of the actual or potential acquisition and the identity of the third party or parties involved, subject to regulatory or statutory obligations.
- 10.2. If the third party directly or indirectly acquiring a Controlling Interest in the Supplier is a Competitor, then KD may, without prejudice to any other rights and remedies it may have, immediately by written notice terminate an Order or the SA in whole or part without any liability.

11. PERSONAL INFORMATION:

To the extent the Supplier is processing personal data of any employee or contractor of KD, the Supplier shall: (a) put in place technical and organisational measures to ensure that personal data is protected against loss, destruction and damage, and against unauthorised access, use, modification, disclosure or other misuse; (b) use the personal data obtained only for the purposes of fulfilling its obligations under the Supply Conditions; (c) comply with the relevant laws on the protection of personal information (including but not limited to General Data Protection Regulation EU-2016/679) and with the instructions of KD from time to time in connection with the use of such personal data; (d) not transfer personal data which has been obtained by or made available to the Supplier to any country outside its country of incorporation without obtaining the prior written consent of KD; and (e) upon termination of the Order or the SA, for whatever reason, cease processing the personal data. The Supplier will, at all times during and after the contract period, indemnify KD and keep KD indemnified for and against all losses, damages, costs or expenses and other liabilities (including legal fees) incurred by, awarded against or agreed to be paid by KD arising from its breach of this Clause.

12. EXPORT CONTROL LAWS INCL. RESTRICTIVE MEASURES AGAINST RUSSIA:

- 12.1. The Supplier shall provide required information and documents to enable KD to comply with national and international applicable laws and regulations on export control, incl. notifying KD of the export control classification for the Deliverables. The Supplier will not use or permit the use of, export or transfer (by any means, electronic means or otherwise), any information or products which are subject to export control laws and regulations without complying in all respects with the applicable export control laws and regulations.
- 12.2. Both Parties acknowledge that the provision of services, supplies and/or information in respect of this SA or any Order may be subject to applicable present or future national or international export control and sanctions laws and regulations concerning import, export or re-export of services, supplies and/or information.
- 12.3. Each of the Parties agree that they will strictly comply with all such applicable export control and sanctions laws and regulations. As such, each of the parties warrant and undertake that they will not import, export, re-export, or otherwise provide either directly or indirectly, in part or in full, any services, supplies and/or information in respect of this SA or any Order without complying in all respects with such applicable export control and sanctions laws and regulations as well as any related governmental instructions, licenses or requirements.
- 12.4. THE SUPPLIER SHALL NOT SELL, EXPORT OR RE-EXPORT, DIRECTLY OR INDIRECTLY, TO THE RUSSIAN FEDERATION, OR FOR USE IN THE RUSSIAN FEDERATION, ANY GOODS AND SERVICES (INCL. TECHNOLOGY) IN RESPECT OF THE SUPPLY CONDITIONS OR ANY ORDER, THAT FALL UNDER THE SCOPE OF ARTICLE 12G OF COUNCIL REGULATION (EU) NO 833/2014. THE SUPPLIER SHALL FURTHER UNDERTAKE ITS BEST EFFORTS TO ENSURE THAT THE INTENT OF THIS CLAUSE IS NOT UNDERMINED BY ANY THIRD PARTY FURTHER DOWN THE COMMERCIAL CHAIN, INCLUDING ANY OF THE SUPPLIER'S SUB-TIER SUPPLIERS, RESELLERS, OR DISTRIBUTORS.
- 12.5. The Supplier shall regularly monitor and update its export control compliance procedures and promptly report any violations, incidents, or suspected non-compliance to KD, including any relevant activities by third parties or sub-tier suppliers that could undermine the intent of Clause 12.
- 12.6. Any violation of the provisions under Clause 12 shall constitute a material breach of the SA. In the event the Supplier breaches any of the provisions of this Clause 12, the Supplier shall indemnify KD with respect to all losses, damages, claims, compensation, awards, expenses (including without limitation legal fees), fines and judgments incurred by KD as a result of, or as a consequence of such breach. In addition to the indemnity set out in this Clause, KD shall be entitled to seek appropriate remedies, including but not limited to, an immediate termination of the relevant Order or any SA, in whole or part, without any liability.
- 13. INDEPENDENT CONTRACTOR:** Each Party is an independent contractor and will not represent itself or act in such a way that third parties can reasonably believe that the Parties are anything other than independent Parties.
- 14. PUBLICITY:** Neither Party will use the other Party's name or trademarks without the other Party's prior permission In Writing.
- 15. CONFLICT:** If there is a conflict of terms, the order of precedence will be: (1) the SA; (2) Schedule 2 (GCP); (3) an Order, and (4) the Specification and/or Statement of Work. The Schedules to the SA will cede precedence to the main body of the SA and will have the same order of precedence as their numbers.
- 16. TRANSFER OF RIGHTS:** No Party will assign, novate or otherwise transfer any of its rights or obligations to any third party without prior approval In Writing by the other Party. However, KD may, upon prior notice In Writing to the Supplier, transfer any or all of its rights or obligations under these Supply Conditions to any of its Affiliates.
- 17. NOTICES:** All notices to be served under any Order or the Supply Conditions must be In Writing and addressed to the other Party.
- 18. AMENDMENTS:** The Supply Conditions will not be amended other than by an agreement In Writing signed by an authorised signatory of the Parties concerned, which is expressly stated to amend the Supply Conditions.

- 19. SEVERABILITY:** If any provision of the Supply Conditions becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that provision will not invalidate the remaining provisions or affect the legality, validity or enforceability of that or any other provision in any other jurisdiction.
- 20. FORCE MAJEURE:** Either Party will be excused for the delay to perform its obligations hereunder if, and to the extent that this is caused by Force Majeure, provided that notice In Writing of such delay (including the anticipated duration of the delay) will be given by the affected Party to the other Party as soon as possible. During the period of Force Majeure and after prompt notice from the Supplier to KD of the occurrence of such an event, KD, at its option, may purchase Deliverables from other sources and reduce its requirement to the Supplier by such quantities, without liability to the Supplier, or have the Supplier provide the Deliverables from other sources in quantities and at times requested by KD and at the price set forth in the Order. If requested by KD, the Supplier will, within 10 (ten) days of such request, provide adequate assurances that the delay will not exceed 30 (thirty) days. If the delay lasts more than 30 (thirty) days, KD may immediately cancel an Order without liability. The Supplier will in any event, make all reasonable endeavours to mitigate the effects of any delay.
- 21. ENVIRONMENTAL REQUIREMENTS AND REACH:**
- 21.1. The Supplier shall:
- (a) comply with all applicable environmental laws and regulations; and
 - (b) endeavour to follow best practices and continuously improve sustainability, including but not limited to, using responsibly sourced material, reducing carbon footprint, minimizing waste, and promoting recycling; and
 - (c) measure its environmental impact and provide KD with a report of its findings through IntegrityNext or another mutually agreed format; and
 - (d) conduct periodic assessments to verify compliance with the sustainability standards given by law and provide all necessary documentation and certifications as may be required by KD or its agents; and
 - (e) apply equivalent requirements within its own supply chain.
- 22. GOVERNING LAW AND JURISDICTION:**
- 22.1. All disputes arising out of or in connection with the Supply Conditions 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. The cost of arbitration and other reasonable fees, including legal, witness, notary and translation fees, shall be borne by the losing Party, unless otherwise determined by the arbitration award. Except for the matters under dispute, the Parties shall continue to perform the remaining provisions under the Supply Conditions, unless or until otherwise determined by the arbitration award. All proceedings shall be in English. The venue for arbitration shall be Oslo, Norway.
- 22.2. The Supply Conditions shall be governed by the substantive law of Norway, without reference to its choice of law rules. The Parties agree that the rules of the Vienna Convention/International Sale of Goods Act do not apply to the interpretation of the Supply Conditions.
- 23. AUDIT RIGHTS:** For the duration of an Order, KD shall have the right upon prior notice to visit the Supplier's and its subcontractors' premises for the purpose of: (a) conducting technical audits, testing and inspections; or (b) conducting quality assurance audits, testing and inspections; or (c) verifying that the Deliverables are compliant with the Specifications and other requirements of the Supply Conditions.
- 24. ENTIRE AGREEMENT AND REPRESENTATIONS:** Unless otherwise stated, the Supply Conditions supersede all prior agreements and understandings between the Parties and constitute the entire agreement and understanding between the Parties in relation to the Deliverables to the exclusion of all other terms and save that no Party hereby seeks to exclude or limit its liability for fraudulent misrepresentation upon which another Party can be shown to have relied.
- 25. SURVIVAL:** The definitions section and the provisions of Clauses 5 - 9, 11, 12, 14 and 15 - 25 of this GCP will survive any expiry or earlier termination of an Order.