



## GENERAL CONDITIONS FOR MINOR PURCHASES

### 1. GENERAL

These General Conditions for Minor Purchases (“**General Conditions**”) shall apply unless otherwise agreed In Writing between the Parties. SELLER’s general terms and conditions, exceptions, qualifications, or other terms and conditions shall not apply, unless explicitly accepted In Writing by BUYER.

### 2. DEFINITIONS

“**SELLER**” shall mean the company or person stated as such in the Purchase Order. “**BUYER**” shall mean the company stated as such in the Purchase Order. “**Party**” shall mean either SELLER or BUYER. “**Parties**” shall mean both SELLER and BUYER. “**Purchase Order**” shall mean a request for the performance of the Work issued In Writing. “**Order Confirmation**” shall mean a document issued by SELLER In Writing using BUYER’s form as attached to the Purchase Order, in which SELLER declares and undertakes to perform the requested Work according to the Contract. “**Contract**” shall mean the written contract between the Parties for the performance of the Work by SELLER, consisting of the Purchase Order, these General Conditions and any other Contract Documents. “**Contract Document**” shall mean any document explicitly made part of the Contract. “**Purchase Order Price**” shall have the meaning set forth in Article 4. “**Work**” shall mean all supplies and services to be performed by SELLER for BUYER under the Contract. “**Scope of Work**” shall mean the portion of the Work to be performed by SELLER. The Scope of Work may be included in the Purchase Order or in any other of the Contract Documents. “**Specifications**” shall mean the specification of the Work, including but not limited to quality, design, and construction. The Specifications may be included in the Purchase Order or in any other of the Contract Documents. “**Delivery Schedule**” shall mean the schedule which specifies the time for delivery, performance, partial performance or Completion, as applicable. The Delivery Schedule may be included in the Purchase Order or in any other Contract Document. “**Completion**” shall mean when the Work has been performed in full, together with delivery of all applicable documentation, drawings, models, instructions, descriptions, handbooks, and manuals necessary for correct installation, operation, maintenance, and use of the Work, as specified in a Contractual Documentation Requirements List (“**CDRL**”) or any other Contract Document. “**Day**” shall mean calendar day. “**In Writing**” shall mean a document signed by BUYER and/or SELLER and submitted to the other Party either by hand, courier service, letter, fax, or pdf-attachment to an e-mail. “**Force Majeure**” shall mean an occurrence beyond the control of the Party affected impeding the performance of its obligations under the Contract, provided that such occurrence could not have been reasonably foreseen at the time of entering into the Contract 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. “**Open Source**” shall mean 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. “**Intellectual Property**” shall mean all work of authorship, procedures, designs, patented and unpatented inventions and discoveries, mask works, drawings, specifications, plans of operation, technical documentation, samples, models, tools, test equipment, copyrighted works, registered and unregistered trademarks, trade secrets, know-how, and proprietary information, in all formats, languages, and versions.

### 3. ORDER CONFIRMATION

The Purchase Order to which these General Conditions apply is BUYER’s offer and shall become a Contract only upon full and unconditional acceptance by SELLER and in strict accordance with these General Conditions. SELLER shall within seven (7) Days after receipt of a Purchase Order return the Order Confirmation to BUYER. SELLER shall also be bound by the Purchase Order upon actual adherence thereto. If the Order Confirmation returned by SELLER to BUYER does not comply with the Purchase Order, these General Conditions or what is otherwise agreed with BUYER, BUYER reserves the right to cancel the Purchase Order without cost and/or obligation.

### 4. PURCHASE ORDER PRICE

The Purchase Order Price shall mean the total price specified in the Purchase Order which is subject to adjustment in accordance with Article 6 only and which shall constitute full compensation to SELLER for the Work, including all costs, expenses, taxes (excluding VAT), unless otherwise is explicitly stated in a Contract Document, duties, fees or charges of any kind incurred by or levied on SELLER related to the performance of the Purchase Order and the provision by SELLER of the Work.

### 5. THE WORK

SELLER shall perform the Work: (i) in conformity with the Delivery Schedule; and (ii) in conformity with the Scope of Work; and (iii) in conformity with the Specifications; and (iv) in accordance with best industry practices and standards; and (v) to achieve fitness for purpose to the extent that a particular purpose is either expressly or by implication specified in any of the Contract Documents; and (vi) in accordance with SELLER’s quality assurance system, unless otherwise required by BUYER in any of the Contract Documents; and (vii) in

compliance with all applicable laws and regulations pertaining to the performance and delivery of the Work; and (viii) in a safe and secure manner with active regard to and in compliance with all of the SELLER’s national health, environmental and safety laws, regulations, instructions, and requirements set out on <https://www.km.kongsberg.com/supplier>.

### 6. CHANGES

BUYER may at any time instruct changes to the Delivery Schedule, Scope of Work, or Specifications of the Work required by the Contract (“**Change Order**”). If any Change Order causes an increase in the cost and/or time required for SELLER’s performance of the Work, SELLER may request an equitable adjustment to the Purchase Order Price and/or Delivery Schedule. SELLER shall without undue delay implement a Change Order when it has been received, even if the Parties have not reached a final agreement on the adjustment to the Purchase Order Price and/or the Delivery Schedule.

### 7. BUYER’S INFORMATION AND PROPERTY

SELLER shall keep confidential and not use BUYER’s drawings, specifications, samples, software, technical documentation, or any other data or information of a proprietary or confidential nature of the BUYER for any other purposes than performing its obligations under the Contract and in strict accordance with BUYER’s instructions.

Notwithstanding the provisions of Article 17, SELLER shall be solely responsible for loss or damage to any buyer furnished property or information in SELLER’s possession or custody, and shall at BUYER’s instruction promptly replace such at its own cost and expense or refund its value.

### 8. DELAYED PERFORMANCE OF THE WORK

SELLER is in delay if performance of the Work is not achieved in accordance with the Delivery Schedule for reasons other than Force Majeure. In case of delay, BUYER shall be entitled to liquidated damages amounting to five-tenths of one per cent (0.5%) of the total Purchase Order Price for each Day of delay. If only part of the Work is delayed, the liquidated damages shall be calculated on the basis of the price of the Work which cannot be used as intended due to the delay. In no event shall the liquidated damages exceed twenty per cent (20%) of the total Purchase Order Price. Liquidated damages hereunder shall be BUYER’s sole monetary remedy in the event of delay on part of the SELLER except for termination for default under Article 10 and except for gross negligence or willful misconduct on part of SELLER. If the delay is caused by gross negligence or willful misconduct on part of SELLER, BUYER may claim damages for actual losses in excess of the liquidated damages.

### 9. END OF LIFE AND CHANGE NOTIFICATION

The SELLER shall immediately inform the BUYER in writing of any major changes that the SELLER plan to implement in the future with respect to its offerings of products or services that has either (i) already been purchased by the BUYER from the SELLER under a Purchase Order, or (ii) that forms part of the offerings from the SELLER to the BUYER under a framework agreement or otherwise. The SELLER is not entitled to implement any such changes with effect for any active Purchase Order or for any framework agreement within the term of such framework agreement. The SELLER is committed to offer the BUYER the supply of end of life (EOL) products or services for a period of minimum 12 months after its written notification to the BUYER. The SELLER is not entitled to change prices or charge the BUYER of any potential costs that may arise from this obligation.

### 10. TERMINATION FOR CONVENIENCE

BUYER may at any time and for any reason (whether SELLER is in default or not) terminate the unperformed parts of the Contract in whole or in part by notice In Writing to SELLER. BUYER’s sole obligation shall be to make payment for the part of the Work delivered and shall make payment of unavoidable and documented direct costs incurred on part of SELLER relating to the terminated part of the Work.

### 11. TERMINATION FOR DEFAULT

BUYER shall be entitled to terminate the Contract, or any part of the Work thereof, for default with immediate effect by notice In Writing to SELLER if SELLER fails to comply with any of the requirements of the Contract and fails to remedy and cure such non-compliance within thirty (30) Days after SELLER’s receipt of written notice specifying the failure. SELLER shall diligently proceed with the performance of the Work not terminated by BUYER. BUYER shall in case of termination for default be entitled to return the terminated part of the Work and to reclaim all corresponding payments made of the Purchase Order Price. In addition, BUYER shall be entitled to compensation for the documented direct costs and expenses, hereunder any excess re-procurement costs resulting from the termination, subject to the limitation of liability in Article 16.

### 12. DELIVERY

Title shall pass to BUYER upon delivery according to the agreed trade term (INCOTERMS 2010). Unless otherwise stated in the Purchase Order or any Contract Document, terms of delivery shall be FCA SELLER’s premises. If



SELLER shall install, implement, integrate, or commission the Work or parts thereof, passing of risk shall however remain with SELLER until Completion.

### 13. INVOICES AND PAYMENT

SELLER's invoices shall be issued according to the Purchase Order. Unless otherwise specified, invoices may not be issued before actual delivery and Completion of the Work. Payment shall be made against correct invoice(s) sixty (60) Days after receipt of invoice. BUYER reserves the right to make setoff against payments due or at issue under the Contract or any other contract with SELLER.

### 14. AUDIT RIGHTS

BUYER, its customer, and any representative appointed by them shall at any time, at no extra cost or expense, during normal working hours have the right to for the duration of the Contract, visit SELLER's and its subcontractors' premises for the purpose of: (i) conducting technical audits, testing and inspections; or (ii) conducting quality assurance audits, testing and inspections; or (iii) verifying that the Work is compliant with the Specifications and other requirements of the Contract. No audits, inspections, or supervisions shall exempt SELLER from its performance obligations under the Contract.

### 15. WARRANTY

SELLER warrants that the Work conforms to the Specifications and other requirements of the Contract, and that the Work shall be free from defects in design, material, and workmanship. SELLER's design warranty shall not apply to Work performed by SELLER pursuant to detailed designs developed, furnished, or provided by BUYER to SELLER. The warranty period shall commence upon transfer of title to BUYER and remain in effect until twenty-four (24) months after Completion of the Work (the "**Warranty Period**"). BUYER's warranty claims shall be presented in Writing and at the latest within thirty (30) Days following the expiry of the Warranty Period. If any non-conformity or defect in the Work or parts thereof appears within the Warranty Period, SELLER shall at its own cost and risk without undue delay, repair, rectify, replace, or re-perform the Work, after consultation with BUYER or subject to BUYER's instructions. SELLER shall reimburse BUYER all reasonable direct costs and expenses in connection with remedy of defects or non-conforming Work. Return of defective or non-conforming Work and transportation of replacement Work shall be at SELLER's cost and risk. Repaired, rectified, replaced, or re-performed Work shall be subject to the same warranty obligations as for the original Work, starting from the date of successful repair, rectification, replacement, or re-performance of the Work. In case a systematic non-conformity or defect affects similar work which SELLER has already performed to BUYER under a prior contract or agreement, the same obligation to repair, rectify, replace, or re-perform, at SELLER's own costs, shall apply to such work, provided however that such work was performed by SELLER no earlier than five (5) years before BUYER's warranty claim was presented to SELLER. A systematic non-conformity or defect shall be deemed to exist where failures occur or may occur with a frequency, pattern, or sameness to indicate a logical regularity of occurrence. SELLER's warranty for latent defects shall extend for a period of five (5) years from Completion of the Work. For the avoidance of doubt, SELLER's obligation to repair, rectify, replace or re-perform the Work under this Article 14 shall not be subject to the limitation of liability provisions of Article 16.

### 16. INTELLECTUAL PROPERTY

The Parties shall retain all rights, title, and interest in or to all their respective Intellectual Property owned, developed, conceived, acquired, or obtained prior to the Contract (hereinafter referred to as "**Background IP**"). Intellectual Property developed, conceived, acquired or obtained by SELLER as part of the Work during the performance of the Contract (hereinafter referred to as "**Foreground IP**") shall be regarded as the sole Intellectual Property of BUYER unless otherwise explicitly stated in the Contract. Notwithstanding the foregoing, BUYER shall always have the right to exploit the Work by way of a nonexclusive, irrevocable, worldwide, perpetual, royalty free right to use, amend, further develop and make any sale, transfer, assignment, sublicense, distribution, incorporation or other commercial disposal of the Work in the course of its business operations. All derivative work made by BUYER based on the Work provided by SELLER to BUYER shall be regarded as the sole Intellectual Property of BUYER.

### 17. LIMITATION OF LIABILITY

Except for gross negligent or wilful acts or omissions of either Party, their employees, subcontractors, or representatives, neither SELLER nor BUYER shall be liable to the other for any loss of profit, loss of use, loss of production, loss of contracts, attorney's fees, or for any indirect, consequential or special damages whatsoever that may be suffered by the other. Except for gross negligent or wilful acts or omissions of either Party, their employees, subcontractors, or representatives, the total cumulative liability to the other Party whether in contract or tort shall be limited to the amount of the total Purchase Order Price. For avoidance of doubt, the limitation provisions of this Article 16 shall not apply to the indemnity provisions of Articles 7, 17 and 18.

### 18. INDEMNITIES

Except for gross negligent or wilful acts or omissions of the other Party, each Party shall indemnify and hold harmless the other Party, its affiliated entities, its subcontractors, their respective agents, and employees thereof from and against all claims, damages, losses, and expenses in respect of: (i) bodily injury, sickness, diseases, or death of any of its employees; and (ii) loss of or damage to its property; and (iii) bodily injury, sickness, diseases, or death, and loss of or damage to the property of any third party, caused by itself; arising from or related to the performance of the Contract.

### 19. THIRD PARTIES' RIGHTS

SELLER shall hold harmless, defend, and indemnify BUYER against any claim alleging that any part of the Work infringes any third party Intellectual Property Rights. SELLER warrants that the Work is free from any liens, attachments, charges, encumbrances, claims, or the like, and undertakes to hold harmless, defend, and indemnify BUYER from and against any claims related thereto.

### 20. OPEN SOURCE

SELLER warrants that no part of the Work 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 BUYER; unless and to the extent SELLER: (i) explicitly and conspicuously has listed any and all Open Source based software with a brief description of their function separately; and (ii) duly provided BUYER with this information in Writing together with correct versions of all relevant license terms and conditions; and (iii) thereafter obtained an explicit complete and corresponding acceptance for the deviation in Writing from an authorised BUYER representative, included as part of each relevant Purchase Order from BUYER where such a deviation is regarded as made. SELLER shall hold harmless, defend and indemnify BUYER from and against any claims, costs, losses and damages resulting from a breach of this warranty.

### 21. SUPPLIER CONDUCT PRINCIPLES

SELLER commits itself to conduct its business activities in a fair, honest, responsible, ethical, and lawful manner and in strict adherence to all applicable laws and regulations governing the ethical and legal conduct of business organizations. SELLER has been provided a copy of the Supplier Conduct Principles of Kongsberg Gruppen ASA (KOG-DIR-0038) or has been informed that these Supplier Conduct Principles are available at [www.kongsberg.com](http://www.kongsberg.com). The Supplier Conduct Principles shall form an integral part of the Contract, and SELLER is expected to comply with or actively pursue compliance with these principles. SELLER shall upon written request from BUYER always be obliged to: (i) document compliance with the requirements set forth above; and (ii) allow BUYER, BUYER's customer, or a third party appointed by BUYER or BUYER's customer the right to conduct such audits as it finds necessary to verify compliance with the requirements of this Article 20. For the avoidance of doubt the audit rights shall include: (a) unrestricted access to all production sites and premises; and (b) the right to communicate with and interview employees and other personnel; and (c) the right to review pertinent documentation or any other relevant material. SELLER shall ensure that any of SELLER's lower tier suppliers may also be subject to such audits as described above. The Parties shall carry their own costs incurred in relation to performance of such documentation and audit.

### 22. PROCESSING OF PERSONAL DATA

In certain circumstances we may collect and use personal data. These circumstances can include, but are not limited to, when: necessary for contractually related purposes, you visit our website, or you contact us. Any personal data we collect is subject to the EU General Data Protection Regulation 2016/679 ("GDPR"). To ensure compliance with the GDPR, we have adopted binding corporate rules ("the KONGSBERG BCR"). The KONGSBERG BCR have been approved by the Norwegian and other relevant data protection authorities. A description of the circumstances under which we may collect personal data, how we use it, how we protect it and your rights is provided in Kongsberg Gruppen's Privacy Statement, available at our official website: <https://www.kongsberg.com/privacy-and-data-protection/>

### 23. EXPORT CONTROL

SELLER shall properly notify BUYER of the applicable classification(s) of the work and if any part of the Work is subject to export control laws or regulations or similar applicable restrictions such as transit/transport restrictions. Regardless of any agreed trade term, SELLER shall always be responsible for obtaining and maintaining required export licenses for exporting and transporting the Work to BUYER. If any documentation is required from BUYER, BUYER shall reasonably assist obtaining such documentation. SELLER is responsible for obtaining and maintaining required import and export licenses relevant to its lower tier suppliers. If any documentation is required from BUYER, BUYER shall reasonably assist obtaining such documentation. If any documentation is required from SELLER or SELLER's lower tier suppliers, for BUYER to obtain export licenses or the like, SELLER shall reasonably assist BUYER in obtaining such documentation.



## 24. ANTI-BRIBERY AND BUSINESS ETHICS

24.1 In recognition of the principles of (a) the Norwegian Penal Code (in particular paragraphs 276a, 276b and 276c), (b) the United States Foreign Corrupt Practices Act, (c) any applicable laws relating to anti-bribery and business ethics of any country in which SELLER performs Work under this Contract, SELLER represents and agrees that he will not, whether in Norway or abroad (1) directly or indirectly, give or offer any improper advantage to anyone in connection with post, office or commission, or (2) for himself or anyone else, directly or indirectly, request, receive or accept an offer for an improper advantage in connection with post, office or commission, or (3) directly or indirectly, give or offer any improper advantage with the purpose of influencing the performance of a post, office or commission, or (4) for himself or anyone else, directly or indirectly, request, receive or accept an offer for an improper advantage with the purpose of influencing the performance of a post, office or commission. SELLER agrees that any breach of this provision is a substantial breach of the Contract.

24.2 SELLER shall have implemented and documented procedures, including management control systems, to prevent SELLER's employees, personnel, agents and/or contractors from doing or omitting anything which could be considered a breach of this Article 22.1.

24.3 SELLER shall upon BUYER's request, give a written statement to BUYER confirming that he has complied with all requirements of this Article 23 and that all financial settlements, billings and reports rendered to BUYER shall reflect properly the facts about all activities and transactions handled for the account of BUYER. The data may be relied upon as being complete and accurate in any further recordings and reporting made by BUYER or its representatives for whatever purpose.

24.4 SELLER shall immediately report to BUYER any act or omission which could possibly be seen as a breach of this Article 23 and the requirement that all financial settlements, billings and reports rendered to BUYER shall reflect properly the facts about all activities and transactions handled for the account of BUYER. In such instances SELLER shall give BUYER access to all documents which in BUYER's sole opinion may be relevant to determine whether such a breach has occurred.

24.5 SELLER shall require any of its sub-suppliers to agree to and comply with contractual provisions substantially identical to those contained in this Article 23.

## 25. DISPUTES AND APPLICABLE LAW

The Contract shall be governed and construed by the substantive laws of Norway, excluding any choice of law rule. Any dispute, controversy or claim arising out of or relating to the Contract, or the breach thereof, shall be finally and exclusively settled by arbitration pursuant to the provisions of this Article 21, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Before arbitration proceedings are commenced, the Parties shall endeavour to resolve the dispute amicably through negotiations between high-level executives of the Parties. If such negotiations are not successful after a period of sixty (60) Days from a claim In Writing for such negotiations from either Party, either Party has the right to refer the dispute to final settlement through arbitration pursuant to the applicable Arbitration Rules of the United Nations Commission on International Trade Law

(UNCITRAL Arbitration Rules). The International Bar Association (IBA) Rules on the Taking of Evidence in International Arbitration shall apply. The arbitration tribunal shall consist of three (3) arbitrators. The arbitration shall be conducted in the English language in Oslo, Norway. The Parties will enter into a separate written non-disclosure undertaking or agreement covering a dispute that is subject to arbitration. Notwithstanding the foregoing, each Party acknowledges that breach of the Contract may cause irreparable damage and agrees that the other Party shall be entitled to seek injunctive relief under the Contract by a competent court in any jurisdiction relevant to a breach of the Contract.