

## **ALGINOR GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND SERVICES**

### **1. FIELD OF APPLICATION**

- 1.1 The following General Terms shall apply for all Purchase Orders issued by Alginor ASA or any of its subsidiaries to Suppliers where these General Terms are attached or referred to.

### **2. DEFINITIONS**

- 2.1 **"Contract"** means the Purchase Order issued by the Purchaser (including any supplementary documents provided by the Purchaser) and these General Terms. In the event of any conflict, the General Terms shall take precedence over other documents included in the Contract.
- 2.2 **"Purchaser"** means Alginor ASA, a public limited liability company registered under the laws of Norway, with company registration number 913 422 082, and/or its subsidiaries at any time which have issued a Purchase Order.
- 2.3 **"General terms"** means these general terms and conditions for purchase forming an integral part of the Contract together with the Purchase Order whereto attached or referred.
- 2.4 **"Goods"** means materials, equipment, documentation and other goods to be delivered by the Supplier to the Purchaser pursuant to a Purchase Order.
- 2.5 **"Price"** means the total price of a Purchase Order, as originally set out or later amended.
- 2.6 **"Purchase Order"** means a purchase order issued by the Purchaser for Goods or Services to be delivered by the Supplier to the Purchaser, and wherein a reference is made to these General Terms or these General Terms are attached.
- 2.7 **"Services"** means services to be provided by the Supplier to the Purchaser pursuant to a Purchase Order.
- 2.8 **"Supplier"** means a supplier of Goods or Services to the Purchaser pursuant to a Purchase Order.

### **3. ORDER AND ORDER CONFIRMATION**

- 3.1 All offers and cost estimates of the Supplier shall be made free of charge and without obligations for the Purchaser.
- 3.2 Purchase Orders shall be issued by the Purchaser. The Supplier shall confirm the Purchase Order to the Purchaser within 5 business days as of receipt of the Purchase Order.
- 3.3 If the Supplier's order confirmation should diverge from the contents of the preceding Purchase Order from the Purchaser, or if the Supplier fails to confirm the Purchase Order in accordance with section 3.2, the Purchaser shall only be bound and committed if the Purchaser agrees to the deviation or the delayed confirmation in writing.
- 3.4 Divergent terms and conditions of the business of the Supplier shall only be valid if specifically accepted by the Purchaser in writing. This shall also apply if the Supplier refers to its general terms and conditions in an offer or in an order confirmation.
- 3.5 The Supplier shall before the start of production use his professional skills to search for possible faults and omissions in the Purchase Order, including drawings, materials, design, etc., provided by the Purchaser. The Supplier shall immediately notify the Purchaser in writing if such faults and omissions are discovered.

#### **4. DELIVERY**

- 4.1 Unless otherwise set forth in the relevant Purchase Order, delivery shall be made DDP, Delivery Duty Paid (in accordance with INCOTERMS 2000 (or any standard substituting them) at the time and place indicated by the Purchaser in the Purchase Order.
- 4.2 The Goods shall be delivered properly packed and marked in accordance with the requirements in the Purchase Order or, if not specified, in a customary and practical way.

#### **5. VARIATIONS**

- 5.1 The Purchaser has the right to order variations in time of delivery, or an increase or reduction in quality, quantity, character, kind, features and characteristics of the delivery of the Goods and Services or part thereof provided that such variations do not exceed what the parties could reasonably expect when the Purchaser issued the Purchase Order.
- 5.2 Variations shall be requested by the Purchaser in writing. The Supplier shall, within 7 business days by written notice, confirm any effects on the Price, time of delivery and technical specifications. All adjustments in the Price shall correspond with the pricing method and principles applied for the rest of the Purchase Order. If the Supplier does not issue such confirmation notice, it will be considered as having accepted that the variation does not have any effects on the Price and time of delivery or otherwise and this will be reflected in the variation order. The final variation shall be approved by the Purchaser in writing.
- 5.3 The variation order shall, upon the Purchaser's written request, be implemented even if the parties have not agreed on the effects of the variation on Price, delivery time and/or technical specifications.

#### **6. DOCUMENTATION**

- 6.1 Delivery tickets and invoices shall be in accordance with the Purchase Order. These documents shall correspond with the Purchase Order regarding item number, description and specification. Each invoice shall be marked with the Purchaser's Purchase Order number.
- 6.2 All certificates and similar documentation shall clearly identify the specific items to which they relate. All documentation specified in the Purchase Order, e.g., certificates, drawings and data discs are considered part of the Goods.

#### **7. TERMS OF PAYMENT**

- 7.1 The Supplier shall invoice the Purchaser on completed delivery of the Goods and Services. Unless otherwise specifically set out in the Purchase Order, the Purchaser shall pay all invoices within 30 days after receipt of correct invoice, provided that all of the Supplier's obligations according to the Purchase Order are fulfilled. The Purchaser has the right to withhold any disputed amounts.
- 7.2 The Supplier is entitled to interest on overdue payments calculated in accordance with the applicable rate pursuant to the Norwegian Act relating to Interest on Overdue Payments, etc. (act no. 100/1976).
- 7.3 All prices are exclusive of value-added taxes (VAT) unless otherwise specified in the Purchase Order.

## **8. CANCELLATION**

- 8.1 The Purchaser has the right to cancel the Purchase Order by giving written notice to the Supplier. The Purchaser shall, in such event, pay the Supplier the unpaid amount due for the work already performed with respect to the Goods and Services and direct costs reasonably incurred by the Supplier due to cancellation. The payment required by the foregoing sentence shall constitute the Purchaser's sole and exclusive liability and obligation with respect to cancellation of any Purchase Order.

## **9. DEFECTS AND GUARANTEES**

- 9.1 The Supplier guarantees that the Goods and Services, upon delivery, conform to relevant public regulations, and for a period of 36 months following the date when the Goods are taken into use in accordance with its intended purpose, that the Goods and Services conform to the specifications in the Purchase Order, and that the Goods are free of fault in material, workmanship, design and function.
- 9.2 The Purchaser shall examine the Goods within a reasonable time after delivery. If any defects are found, the Purchaser shall notify the Supplier thereof in writing within a reasonable time thereafter.
- 9.3 If the Goods are found to be defective during the guarantee period, the Supplier shall, at his own cost, immediately remedy the defects. If the Supplier is not able to remedy a defect within a reasonable time after receipt of the Purchaser's notification, the Purchaser has the right to have this work done by itself or by third parties, in any event, at the Supplier's cost. If the defects are material and may not, in the Purchaser's reasonable opinion, be corrected within a reasonable time, the Purchaser has the right to either require redelivery, reduction in the Price, or to terminate the Purchase Order according to section 11 and in these instances also claim damages etc. as referred to therein.
- 9.4 If any guarantee work is performed in the guarantee period, any replaced/repared parts of the Goods shall be guaranteed by the Supplier for a renewed period with the same duration as the original guarantee.

## **10. DELAY BY THE SUPPLIER**

- 10.1 If the Supplier has reason to believe that delivery of the Goods will be delayed, the Supplier shall immediately inform the Purchaser thereof in writing. Such notice shall include the reason for and the extent of the delay and shall state the corrective actions initiated in order to reduce the delay. If the Supplier's corrective actions, in the Purchaser's reasonable judgement, are not sufficient to reduce the delay, the Purchaser may require that the Supplier takes additional actions or the Purchaser may take such actions itself, in each case at the Supplier's cost.
- 10.2 If delivery of the Goods has not occurred within the time of delivery set out in the Purchase Order, the Purchaser has the right to liquidated damages in an amount equal to 2 % of the Price per day until delivery occurs. The Supplier's cumulative liability for liquidated damages is limited to 35 % of the Price.

## **11. TERMINATION DUE TO DEFAULT BY THE SUPPLIER**

- 11.1 The Purchaser has the right to terminate the Purchase Order with immediate effect by giving written notice to Supplier, if (i) the Supplier becomes insolvent, (ii) the Supplier is in material breach of its obligations hereunder, or (iii) the Supplier has become liable for maximum liquidated damages pursuant to section 10.
- 11.2 In addition to termination of the Purchase Order, the Purchaser is entitled to recover from the Supplier any costs, losses or damages suffered by the Purchaser due to such termination.

## **12. INTELLECTUAL PROPERTY RIGHTS**

- 12.1 The Supplier shall indemnify and hold harmless and defend the Purchaser and the Purchaser's customers and users of Goods from and against any claims, demands, losses, costs incurred by the Purchaser based on claims for patent, trademark, copyright or other intellectual property right infringements arising from the purchase, installation or use of the Goods or Services.
- 12.2 In so far as any Purchase Order, as whole or in part, contains design work or the development of drawings, specifications, dies, patterns, tools software or other intellectual property rights, all results of such performances shall be the exclusive property of the Purchaser.
- 12.3 Drawings, specifications, dies, patterns, tools, data-discs and other information or documentation provided by the Purchaser to Supplier shall be the property of the Purchaser and shall not be disclosed to any third party without the Purchaser's prior written approval. The Purchaser may require the Supplier to execute a separate declaration of confidentiality to this effect.

## **13. CONFIDENTIALITY**

- 13.1 Supplier shall, and shall oblige its officers, employees, sub-contractors and agents to, maintain full secrecy and confidentiality on all matters not in the public domain concerning or arising out of the performance of the Purchase Order.

## **14. QUALITY ASSURANCE AND CONTROL**

- 14.1 Supplier shall have an established and documented Health, Safety and Environment (HSE) system and a quality assurance system in accordance with applicable law and the ISO 9001 standard or equivalent standards.
- 14.2 The Purchaser or a third party appointed by the Purchaser has the right to make the verifications, inspections and tests, including audits, at the facilities of the Supplier and its subcontractors, in order to satisfy himself that the Goods will be manufactured and the Services performed according to the requirements of the Purchase Order. Such inspections and verifications do not relieve the Supplier from any obligations under the Purchase Order.

## **15. SUBCONTRACTS**

- 15.1 The Supplier shall not assign a Purchase Order or Contract or subcontract any part of same without prior written approval by the Purchaser. The Supplier is responsible for the acts and omissions of any subcontractors. Subcontractors shall have no right to make claims towards the Purchaser.
- 15.2 The Purchaser may assign all or parts of its rights and obligations pursuant to the Purchase Order to any third party by written notice to the Supplier if not otherwise agreed.
- 15.3 The Supplier shall verify that any subcontractor approved by the Purchaser has an established and documented quality assurance system adequate for the Purchase Order.

## **16. FORCE MAJEURE**

- 16.1 Neither the Supplier nor the Purchaser shall be liable for a default in performance of its obligations under a Purchase Order to the extent such performance has been prevented by circumstances beyond the party's control (Force Majeure, as normally defined), unless the party should have foreseen the circumstance at the time of sending or receiving Purchase Order or the party reasonably could be expected to overcome or avoid the consequences of such circumstance

16.2 The party alleging to have been prevented by a circumstance as mentioned above shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

16.3 If the performance under any Purchase Order has been suspended for more than 6 months, either party shall be entitled to terminate the Purchase Order with immediate effect upon written notice to the other party.

## **17. INDEMNITY, LIABILITY**

17.1 The Supplier shall indemnify the Purchaser and hold him harmless against any loss or damage caused to third parties by the Supplier.

17.2 The Supplier shall be exclusively liable for all taxes, customs, excise and import duties and other fees, levies and charges incurred by the Supplier, or its subcontractors or their employees with respect to the Purchase Order. The Supplier shall indemnify and hold The Purchaser harmless from any expense, claim, liability or obligation with respect to such amounts.

17.3 Neither the Purchaser nor the Supplier shall be liable for any consequential or indirect losses of the other. In no event shall the Purchaser's liability to the Supplier exceed the total amount of payment actually paid by the Purchaser to the Supplier for the Goods and Services.

17.4 The Supplier shall be able to demonstrate to the Purchaser that it has taken out reasonable insurance coverage for the above liabilities and indemnities.

## **18. TITLE TO THE GOODS. RISK**

18.1 Title to the Goods shall pass to the Purchaser as the work progresses and when parts are identified and marked for the purpose of the Purchase Order. The Supplier shall clearly mark these materials and, if possible, keep these items separated from other materials.

18.2 Risk of loss of or damages to the Goods shall pass upon delivery, cf. section 4 above.

## **19. COMPLIANCE**

19.1 Supplier shall comply with all applicable laws and regulations and the requirements of good citizenship in each jurisdiction where Supplier performs its activities (including compliance with laws and regulations on competition, corporate governance, taxation, financial disclosure, employee rights, environmental protection and occupational health and safety).

## **20. WORKING CONDITIONS**

20.1 The Supplier shall at any time ensure that the salary and other working conditions for all employees who participate in the performance of work under the Contract with the Purchaser are equal to the at all times normal salary and working conditions for the relevant type of work in the jurisdiction where the work is performed. The Purchaser may require that the Supplier documents that salary and other working conditions.

## **21. TRANSPARENCY ACT**

21.1 Section 4 of the Norwegian Transparency Act dated 18 June 2021 nr. 99 (the "Norwegian Transparency Act") imposes a duty on enterprises to conduct due diligence within the scope of the Norwegian Transparency Act, in accordance with the OECD's Guidelines for Multinational Enterprises. For Purchaser to fulfil its obligations under the Norwegian Transparency Act, the Supplier accepts and acknowledges that it must contribute to the implementation of such activities as required for a proper due diligence and incorporate similar requirements into agreements and terms with its suppliers and sub-suppliers.

**22. SURVIVAL**

22.1 The following sections shall survive the termination or expiration of the Purchase Order: section 12 (intellectual property rights), section 13 (confidentiality), section 17 (indemnity, liability) and section 23 (governing law and disputes).

**23. GOVERNING LAW AND DISPUTES**

23.1 The Purchase Order shall be governed by and construed in accordance with the laws of Norway.

23.2 Any disputes that may arise from the Purchase Order or the General Terms shall be subject to the exclusive jurisdiction of the Norwegian courts with Haugaland og Sunnhordland District Court as agreed venue.