

# STANDARD TERMS AND CONDITIONS OF PURCHASE FOR FJORD1 AS



## 1. INTRODUCTION

- 1.1 These standard purchase terms and conditions (the "Standard Terms") apply to all purchase orders ("POs") for goods and services (the "Delivery") that Fjord1 AS (the "Company") enters into with a supplier (the "Supplier"), unless otherwise agreed.
- 1.2 The Standard Terms automatically enter into force at the time the PO is accepted by the Supplier through the Supplier's written order confirmation.
- 1.3 In the event of any conflict between an individual PO and these Standard Terms, the PO shall prevail over the Standard Terms.
- 1.4 It is expressly agreed that the Supplier's own terms of sale shall not apply unless explicitly stated in, and evident from, the relevant PO.

## 2. FORMATION OF AGREEMENT AND AMENDMENTS

- 2.1 The Company shall not be bound to make a purchase until a written PO has been issued and fully accepted by the Supplier through the Supplier's written order confirmation. If a PO appears unclear, the Supplier shall clarify its content with the Company before commencing performance. The Supplier shall promptly notify the Company of any errors or discrepancies the Supplier discovers in a PO. The agreed price in the PO covers all aspects of the Delivery, including freight, packaging, any installation, insurance, customs duties, taxes and other charges, and the Supplier shall hold the Company harmless from any other costs, including costs related to the Supplier's insufficient understanding of the scope of the Delivery.
- 2.2 The Company shall not be bound by a PO unless it is confirmed in writing by the Supplier within three (3) business days from the date of issue.
- 2.3 All changes and/or additions to a PO shall be agreed in writing between the parties before the change or addition takes effect. The Company shall not be obliged to pay for changes or additions that have not been agreed in writing in a PO issued by the Company and accepted in writing by the Supplier prior to implementation. The price for changes shall correspond to the pricing level otherwise applicable under the relevant PO. Changes that reduce the Delivery shall be reflected correspondingly by a reduction of the agreed price under the PO.
- 2.4 The Company may cancel a PO by written notice to the Supplier. Upon receipt of such notice, the Supplier shall immediately cease work on the Delivery as specified in the notice, safeguard all parts of the Delivery and make completed parts of the Delivery available to the Company. The Supplier shall be compensated for the portion of the Delivery performed in accordance with the PO up to the cancellation date, and for necessary, reasonable and documented costs incurred as a consequence of the termination. This clause shall not apply where the Company terminates a PO due to the Supplier's non-performance, delay or other defects for which the Supplier is responsible.

## 3. REQUIREMENTS FOR GOODS

- 3.1 The Delivery shall be of the quality and quantity set out in the relevant PO. At any time, upon reasonable notice, the Company has the right to carry out audits and inspections at the Supplier and its subcontractors to ensure compliance with applicable requirements and regulations, and that performance of the Delivery corresponds to the PO.
- 3.2 Unless otherwise set out in the PO, the Delivery shall:
  - 3.2.1 be fit for the purposes for which a corresponding delivery is normally used,
  - 3.2.2 be fit for the specific purpose that the Supplier was or should have been aware that the Company intended to use the Delivery for when the PO was issued,
  - 3.2.3 have the properties and quality that the Supplier may have referred to by presenting a sample or model,
  - 3.2.4 have such properties, functions and quality as set out in standard product descriptions/specifications, user manuals, etc. that the Supplier provides in connection with the sale of the Delivery; and
  - 3.2.5 satisfy general industry requirements and standards, as well as a high professional standard.
- 3.3 The Delivery shall satisfy all specific requirements in the PO as well as any other requirements applicable at any time in accordance with Norwegian law or international rules by which the Company and/or the Supplier are bound.
- 3.4 The Delivery shall be packaged and labelled in such a manner that it may be stored by the Company for up to six (6) months, unless otherwise stated in the relevant PO.
- 3.5 As part of the agreed consideration, the Company shall be provided with, or granted electronic access to, such standard product descriptions, user manuals and other documentation that the Supplier normally provides in connection with the sale of the Delivery, unless otherwise agreed.
- 3.6 The Delivery is defective if it is not in accordance with clauses 3.2 to 3.5.
- 3.7 The Delivery is also defective if it has been exposed to external influences or loads that are capable of impairing its quality.
- 3.8 Quantitative deviations, regardless of size, shall in any event be deemed a defect.

## 4. SUBCONTRACTORS

- 4.1 The Supplier shall be fully responsible for performance of the relevant PO and all other terms and conditions, irrespective of whether the Supplier uses subcontractors.
- 4.2 Contractually, the Company shall relate only to the Supplier. Any activities carried out by the Company in connection with follow-up, access, audit and control of the Supplier's subcontractors shall not change the Supplier's liability. However, the Company may choose to assert direct claims against the Supplier's subcontractors where this is in accordance with applicable law.

# STANDARD TERMS AND CONDITIONS OF PURCHASE FOR FJORD1 AS



## 5. PAYMENT AND INVOICING

- 5.1 The Company shall pay the consideration stated in the PO.
- 5.2 The Company's payment terms are net thirty (30) days after receipt of a correct Delivery and a correct invoice. Invoice fees are not accepted.
- 5.3 Unless otherwise agreed under the relevant PO, the PO shall be accepted by the Company as fully delivered before invoicing may take place. Partial delivery and/or partial invoicing is not accepted unless agreed in the relevant PO.
- 5.4 All invoices to the Company shall be labelled and documented as specified by the Company and sent as an Electronic Trade Invoice (EHF) to Org. no. 983 472 583.

The EHF invoice shall always be marked with the PO number in the field "Customer's order no." The invoice shall always be marked with the PO number or the F1 requisitioner number (6 digits) in the field "Customer's order no." in the EHF invoice. The field shall be linked to the underlying XML field named "OrderReference". If the required information is missing, the invoice will be rejected by the Company's invoice receipt system.

- 5.5 If the required information is missing, the invoice will be rejected by the Company's invoice receipt system. The Supplier is responsible for ensuring that the invoice is correctly marked. Supporting documentation and invoices in PDF format shall be attached to the EHF invoice. All attachments shall be in PDF format. For questions regarding payment and other invoice-related matters, please contact [faktura.helpdesk@fjord1.no](mailto:faktura.helpdesk@fjord1.no).
- 5.6 Where partial invoicing has been agreed, the stated PO may only be used once; consequently, a new PO number must be obtained for the remaining invoicing. The same applies to agreed on-account invoicing.
- 5.7 Where on-account invoicing has been agreed, the invoice shall be specifically marked "on-account invoice", in addition to documenting work performed. Each on-account invoice shall also state the total amount invoiced to date and the remaining balance of the agreed total amount for a PO.
- 5.8 If an invoice is incorrect, it shall be credited in full and a new correct invoice shall be sent to the Company. The credit note shall be marked with the invoice number of the invoice to be credited. The invoice date shall be the date of issuance of the correct invoice.
- 5.9 If the Company pays a correct invoice late, and this is due to circumstances for which the Company is responsible, the Supplier may claim default interest in accordance with the Norwegian Act relating to Interest on Overdue Payments (the Default Interest Act).
- 5.10 Default interest may only be claimed for twenty (20) business days retrospectively from the day the Company receives the Supplier's payment reminder, including notice that default interest will accrue. Default interest that is not invoiced within twenty (20) business days after payment of a correct invoice may not be claimed.

## 6. DELIVERY AND DELAY

- 6.1 Unless otherwise agreed, the Delivery shall be delivered "DDP" to the agreed place of delivery in accordance with Incoterms 2020. The Supplier shall ensure that a product data sheet and other relevant documentation is available for all goods included in the Delivery where required.
- 6.2 If the Delivery is not delivered at the agreed time, at the agreed place and in the agreed form, a delay on the part of the Supplier shall be deemed to have occurred.
- 6.3 The Supplier shall immediately notify the Company in writing if the agreed delivery time cannot be met. The Supplier shall state the reason for the delay, the new expected delivery time and the measures implemented to minimise the delay. If the Company finds the measures insufficient, the Company may require additional measures to be implemented at the Supplier's cost. If the Supplier fails to notify the Company of a delay, the Supplier shall hold the Company harmless from all delays, costs and losses suffered by the Company due to the Supplier's failure to give notice.
- 6.4 In the event of delay, the Company is entitled to claim liquidated damages for each day the Delivery is delayed instead of claiming damages. The liquidated damages are two (2) per cent of the PO's total contract sum for each week the delay continues, capped at twenty (20) per cent of the PO's total contract sum.

## 7. RISK AND TITLE

- 7.1 Title to the Delivery shall pass to the Company progressively during production and/or performance of work for the Delivery, or in line with the Company's payments in the event of advance payment. The Supplier shall mark all materials for a Delivery with the Company's name and PO no. immediately upon arrival at the Supplier's goods receipt, and shall, as far as possible, keep such materials separate from the Supplier's other materials. Risk for a Delivery shall transfer from the Supplier to the Company in accordance with the agreed Incoterms delivery terms. It is expressly agreed that the Supplier has no retention of title, lien or right of retention in any part of the Delivery, irrespective of the Company's payment. The Company shall also be held harmless from any such rights that the Supplier may have granted to its subcontractors.

## 8. NOTIFICATION OF DEFECTS (CLAIMS)

- 8.1 If the Supplier breaches its obligations under the agreement between the parties, the Supplier shall without undue delay notify the Company of the breach, what will be done to remedy the situation, and what significance the breach has for the further performance of the agreement.
- 8.2 The Company shall inspect the Delivery for external, visible and apparent errors and/or defects within five (5) business days from receipt. For other defects, the claims period shall run from the time the defect becomes apparent. The Company must invoke a defect within a reasonable time after the defect becomes

# STANDARD TERMS AND CONDITIONS OF PURCHASE FOR FJORD1 AS



apparent. The parties agree that a claim made within six (6) months from the time the defect becomes apparent shall always be deemed to be within a reasonable time.

- 8.3 Claims may be made orally, but shall be confirmed in writing by the Company. The written claim shall state what is being claimed and whether the Company requests repair under the Supplier's warranty, replacement delivery or credit.

## 9. WARRANTY

- 9.1 The Supplier warrants that the Delivery is free from defects in workmanship and fully complies with the requirements and specifications set out in the relevant PO.
- 9.2 If the Delivery consists of goods, the Supplier's warranty shall apply for 24 months from correct delivery. If the Delivery consists of services, the Supplier's warranty shall apply for 12 months from completion of the performance.
- 9.3 Upon the Company's notice of defects in the Delivery during the warranty period, the Supplier shall immediately remedy the defect at no cost to the Company. The repaired part of the Delivery shall be granted a new full warranty period from the time the repair is approved by the Company.

## 10. INSURANCE

- 10.1 At its own expense, the Supplier shall take out and maintain insurance that fully covers the Supplier's liability for the relevant PO, including liability pursuant to Article 4. The insurance shall not lapse before the Delivery has been fully delivered. Further, the Supplier shall maintain insurance covering a minimum of 25% of the order value until the Supplier's warranty expires. Upon the Company's request, the Supplier shall provide an insurance certificate evidencing the necessary insurance coverage in accordance with this Article.

## 11. LEGAL CONSEQUENCES OF BREACH OF CONTRACT

- 11.1 Failure by a party to comply with its obligations under the agreement between the parties, including where the Delivery is delayed or defective, constitutes a breach of contract, unless this is due to circumstances on the other party's side.
- 11.2 In the event of delay, the Company has the right to demand performance, terminate and claim damages.
- 11.3 In the event of defects, the Company has the right to demand rectification, replacement delivery, price reduction, termination and/or damages pursuant to the rules of the Norwegian Sale of Goods Act.  
In the event of breach of contract, the Company has the right to withhold such portion of the purchase price as is necessary to ensure that the claim is secured.
- 11.4 Under no circumstances shall the Company be liable for the Supplier's losses beyond the price of the Delivery, or for indirect loss, including unforeseeable or consequential loss of any kind,

including, but not limited to, lost profit, lost revenue and claims from third parties.

- 11.5 If the Company has breached its payment obligation for 30 (thirty) days towards the Supplier, the Supplier may send written notice to the Company that the agreement will be terminated if settlement has not been made within 60 (sixty) days after receipt of the notice. Termination may not take place if the Company settles the overdue consideration, including default interest, before expiry of the deadline.

## 12. SOCIAL AND ETHICAL RESPONSIBILITY

- 12.1 The Supplier shall ensure that employees in its own organisation and employees of the Supplier's subcontractors do not have poorer pay and working conditions than those following from collective bargaining agreements, wage regulations, or what is normal for the relevant place and profession.
- 12.2 Suppliers are obliged to comply with all statutory requirements, including all requirements relating to health, environment and safety (HES).
- 12.3 The Supplier shall also comply with the requirements of the Norwegian Transparency Act (Åpenhetsloven).
- 12.4 The Supplier shall otherwise act in accordance with good business practice and ensure a high standard of business ethics for all Deliveries to the Company.
- 12.5 The Company or the Company's representatives have the right to carry out such inspections and checks of documentation and/or physical locations as the Company reasonably deems necessary to ensure that the requirements pursuant to Chapter 3 and this Chapter 11 are complied with. Such inspections shall be notified within a reasonable time. Unless relevant deviations are uncovered, the Company shall bear its own costs for such examinations.
- 12.6 If the Supplier does not comply with its obligations under this Chapter 12, the Company may invoke remedies for breach as stated in these Standard Terms. Furthermore, the Company may terminate any PO with immediate effect if the Supplier becomes subject to public criticism of such a nature that using the Supplier may harm the Company's reputation. In the event of such termination, the Supplier shall not be entitled to payment for anything other than the part of the Delivery that the Company receives or has received.

## 13. ENVIRONMENT

- 13.1 The Supplier shall have routines and/or measures in place to address environmental challenges where the enterprise/company may constitute a burden.
- 13.2 Modern technology shall be used to save energy and operate efficiently.
- 13.3 The Supplier is obliged to comply with all statutory requirements relating to energy efficiency.

## 14. INDEMNITY AND RELATIONSHIP TO THIRD PARTIES

- 14.1 The parties shall hold each other harmless for any claim arising in connection with (i) personal injury

# STANDARD TERMS AND CONDITIONS OF PURCHASE FOR FJORD1 AS



to or death of their own personnel, (ii) damage to or loss of their own property, and (iii) their own indirect losses or damages. This shall not apply if such damage or loss as set out in (i), (ii) or (iii) is caused by the other party's gross negligence or wilful misconduct.

14.2 Notwithstanding clause 13.1 (ii) above, the Company shall be held harmless from all such damage and loss incurred to the Company's property that is in the Supplier's possession and/or under the Supplier's control.

14.3 The Supplier bears the risk and responsibility that its performance does not infringe third-party copyright or other intellectual property rights. If the Supplier's performance results in such infringement, a title defect (legal defect) shall be deemed to exist.

14.4 The Supplier warrants that the Company shall be held harmless in the event of any claims or legal actions by third parties alleging infringement of their rights or rights to the Delivery or parts thereof.

## 15. CONFIDENTIALITY

15.1 The Company and the Supplier shall treat information regarding commercial terms in the contractual relationship between the parties, and all information they receive about the other party that is not publicly known, as confidential information. Received information shall be used only for the fulfilment of the parties' obligations in connection with the Delivery.

## 16. THE NORWEGIAN TRANSPARENCY ACT (ÅPENHETSLOVEN)

16.1 The Company complies with the provisions of the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions, including the implementation of due diligence assessments, the duty to provide information and the publication of a statement (from June 2023).

## 17. ASSIGNMENT

17.1 The Supplier may not, in whole or in part, assign its rights and/or obligations under this agreement to a third party without the Company's prior written consent.

17.2 The Company may freely assign its rights and obligations under the agreement. However, the Supplier may object to the assignment if there are reasonable grounds for such objection.

## 18. GOVERNING LAW AND DISPUTES

18.1 The parties' rights and obligations in connection with the contractual relationship shall in their entirety be governed by Norwegian law.

18.2 If a dispute arises in connection with the contractual relationship or the performance of the agreement that cannot be resolved amicably, the dispute shall be brought before Fjordane District Court as the agreed legal venue.

## 19. FORCE MAJEURE

### 19.1 Definition

Force Majeure includes war, war-like conditions, natural disasters, pandemics, strikes, lockouts, public orders or prohibitions, fire, explosion and other extraordinary events beyond a Party's control which the Party could not reasonably foresee at the time of entering into the Framework Agreement or the relevant PO, and which the Party could not reasonably avoid or overcome.

### 19.2 Effect

Force Majeure releases the Party from its obligations under the Framework Agreement and/or the affected PO to the extent and for as long as the event prevents performance. Obligations not affected by Force Majeure are not covered by the exemption.

### 19.3 Notices and documentation

The Party invoking Force Majeure shall give the other Party written notice no later than three (3) working days after the event occurred or became known. The notice shall include:

- Description of the event and its scope.
- Impact on the Party's obligations.
- Expected duration and measures to minimise the impact.

The Party shall continuously keep the other Party informed and submit sufficient and verifiable documentation showing how the Force Majeure event has affected performance and what measures have been implemented to counteract, minimise and/or eliminate the impact.

### 19.4 Duty to mitigate loss

The Party invoking Force Majeure shall implement all reasonable measures to reduce the consequences of the event.

### 19.5 Prolonged Force Majeure

If Force Majeure continues for more than thirty (30) days, each Party may terminate the Framework Agreement and/or the affected PO by giving seven (7) days' written notice.

### 19.6 Costs and payment

The Company shall not pay for services that are not performed. Each Party shall cover its own costs associated with Force Majeure.

### 19.7 Consequence of failure to comply with obligations

If the Party invoking Force Majeure does not comply with the obligations regarding notice, documentation and continuous information as stated above, the Party shall lose the right to invoke Force Majeure as an excuse for non-performance or delayed performance.

### 19.8 Exceptions

Force Majeure may not be invoked for circumstances due to lack of financial resources or due to a subcontractor's circumstances, unless such circumstances are themselves caused by Force Majeure.

