

### 1. GENERAL

1.1 The following terms and conditions shall apply to all supplies and services (field service, and/or service preformed in workshop) provided by Servogear.

1.2 The Contractor's (Servogear) offers are non-binding until accepted and confirmed by a purchase order issued from the Customer. By sending a purchase order, the Customer accepts and complies with these terms and conditions, which shall form an integral part of the Contract. Once the Contractor (Servogear) has received the purchase order the Customer may not change or cancel any part of the purchase order unless a mutual written agreement between both parts has been made.

### 2. PERFORMANCE & ACCEPTANCE OF SERVICE WORK

2.1 Upon the completion of service the Customer shall be deemed to have accepted the Service Work provided by Servogear. If the Customer is not satisfied with the service or the quality is not of a high standard. The Customer has three days to send a non-conformity (Servogear Warranty Claim Form) to the Contractor (Servogear). All dates and periods, and/or man-hours needed for the service quoted shall be deemed as estimate only and under normal working conditions. All express or implied time limit in dispatch and completion of any Service Work, will come with an extra charge.

2.2 In the case that the Customer foresees that the Service Work cannot commence as agreed in the Contract due to reasons attributable to the Customer, the Customer must notify Servogear in a written statement. This statement may be done through email and should state the reason why and an anticipated time that the Service Work may resume. By notice, Servogear may require the Customer to set a final reasonable time frame that the Service Work should commence. Additional costs related to the delay may apply.

2.3 Servogear has the right to postpone or suspend Service Work obligations within the Contract if Customer has not provided the appropriate information requested by Servogear from the Customer and/or if the circumstances make it reasonably clear that Servogear will not be able to perform its obligations as stated within the Contract.

### 3. PRICES

3.1 Hourly rates for Service Work are stated with the annual Service Rates document attached to the contract and/or located on the Servogear website.

3.2 Additional costs shall be applied for the parts recommended and/requested along with costs pertaining to extra parts, packing, handling, shipping, import duties, travel, and taxes.

### 4. DUTIES, TAXES, AND FEES

All documentation or approvals which are require by applicable laws, and any applicable modifications of such laws pertaining to all duties, withholdings, and other taxes, customs fees and charges, and all charges and fees by a classification or inspection society shall be the responsibility of and paid by the Customer.

### 5. EXPORT CONTROLS AND TRADE SANCTIONS

All parties are in agreeance that the Service Work shall be provided subject to all applicable export controls, sanctions, or restrictions imposed on services by any country or organization or nation which are enforceable in the jurisdiction of Servogear, or its affiliates, including Servogear's country (Norway), the United Nations, the European Union, and the United States of America. The Customer hereby acknowledges that the Service Work and all related technical information, documents, and materials may not be imported or exported, re-exported, transshipped, traded, diverted, or transferred, directly or indirectly, contrary to such controls, sanctions, or restrictions.

### 6. PAYMENT, OWNERSHIP, AND COMPENSATION

6.1 As stated in (Clause 3) prices will follow Servogear's annual Service Rates based on normal working hours, if not expressed otherwise in writing.

6.2 Time sheets shall be provided by Servogear. These time sheets shall be filled out daily by a Servogear representative onsite. It is required that the Customer check the validity of the time sheet by initialing daily and thereafter accept or attest the time sheet with a signature and date before the Servogear representative leaves the site. In the case of attesting a time sheet please write reason(s) on the bottom or back of the actual time sheet. The time sheets provide evidence of billable hours that Servogear shall invoice to the Customer.

6.3 Hourly rates, overtime rates, and daily allowances are specified in Servogear's annual Service Rates document. The Customer shall be charged daily allowance for each Servogear representative attending the contacted service based on the number of days from departure to return dates. Unless otherwise agreed upon in writing; a normal work week contains approximately 40 hours of work including .5-hour lunch breaks (8 daily hours over 5 working days). Local holidays shall be observed, anything outside of these parameters will be charged with overtime rates. Normal hourly rate will be charged for waiting and/or stand-by time for which Servogear was not responsible. Lodging and/or hotel costs is to be provided by Customer. In the case of the Customer failing to maintain safety in the work site environment; the daily remuneration and allowances shall be payable during incapacity caused by sickness or of accidental injury to any of Servogear's representatives.

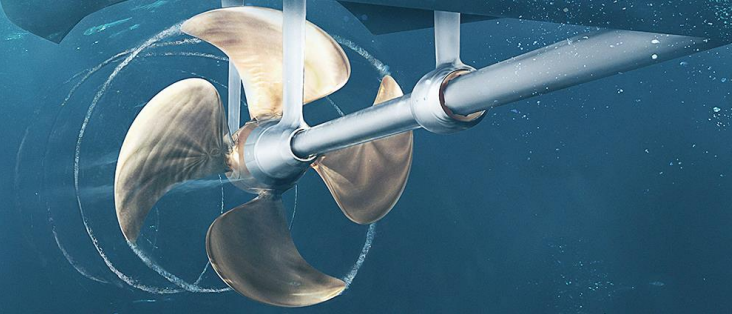
6.4 All travel expenses, plus a ten percent (10%) handling fee, accumulated relating to the service work order (Contract) shall be covered by the Customer. Travel expenses may include: (a) fares for travel by air, rail, service car, rental car, taxes, tolls, ferries, boats, and/or bus; (b) carriage, freight, customs duties, visas (and handling of visas), and/or insurance due in connection with the personal effects, instruments, and/or tools required for the Service Work, including necessary overweight charges for luggage; (c) all out-of-pocket expenses incurred by the Servogear representative for the Service Work ordered by the Customer such as internet use, and telephone calls.

6.5 In the unfortunate event of a Servogear representative falling accidentally ill or injured during the performance of Service Work or otherwise, requiring medical attention or hospital treatment, it is the responsibility that the Customer insure the Servogear representative is given the best and appropriate medical attention available. It is required that Customer assist Servogear to repatriate an ill, injured, or deceased Servogear representative in the safest and most expedited manner. All costs incurred under this Clause 6.5 shall be covered by Servogear.

6.6 Payments based on an estimated quote shall be made in full prior to Servogear's representative trip unless otherwise agreed upon. Adjustments of further payment or crediting shall be completed within 14 days after Servogear service representative has returned to Servogear office. Payment shall be made by bank remittance in the currency and to the bank account stated in the invoice. The Customer will be billed interest at the rate of eight and a half percent (8.5 %), pa. over the invoice due date until the payment has been made. The Customer is also responsible for any extra costs associated with the collection of overdue amounts, including any attorney's fees. In the event of a Customer neglecting to pay within the allotted time and the payment in more than 30 days overdue; Servogear retains the right to suspend and/or terminate the Service Work Contract by written notice to the Customer. Ownership to any parts, material, equipment, consumables and replacement, and any other items to be supplied by Servogear in performance of the Service Work shall be sent to the Customer only when payment in full has been received by Servogear. Servogear reserves the right to request the Customer to provide a percentage of the bill or a security covering any unpaid amount already owed to Servogear prior to starting a new Service Work.

6.7 Any assistance or work performed outside the scope of the arranged service work shall require a change order request to be made in writing and addition costs in accordance with Servogear's standard rates shall be applied to the invoice.

6.8 Retention of payments based on counter-claims by the Customer is excluded unless such counter-claims are undisputed by us or have been determined by final judgement.



## 7. WARRANTY

7.1 Servogear, at its sole discretion, shall repair, replace, and/or re-perform in whole or in part any defective Service Work within the warranty period. Immediately upon finding the discrepancy the Customer shall take all appropriate steps to minimize any further damage to the defected area. All warranty claims shall be made in writing on a Servogear Warranty Claim form without delay and no later than seven (7) days following the discovery of such defect during the warranty period. Servogear shall work with the Customer to resolve the issue in a timely manner.

7.2 Broken or replaced parts shall be returned to Servogear for inspection, quality re-evaluation and learning purposes. Delivery of repairs and re-performance under warranty will be made in accordance with the original Contract delivery terms. Parts are to be sent in return within seven (7) days of claiming replacement. Customer is responsible for the return cost of the broken parts and once Servogear has received the part(s) in return, they shall credit the costs of the new/replacement part.

7.3 The warranty period for the Service Work starts on the date of delivery and ends six (6) months from that same date. Upon re-work, the six (6) month warranty period shall restart from the new delivery date. The warranty for re-work on Service Work are subject to terms and conditions as those applicable from the original Service Work Contract. Under no circumstance shall Service Work (original and including re-work) exceed beyond twelve (12) months from the original Service Work delivery date.

7.4 Servogear's responsibility for warranty claims (claims based on defects) is limited to only parts and service work provided by Servogear. Servogear shall not be responsible for any defect due to or arising relating to: (a) Any materials, tools, design, or software provided by Customer. (b) Negligence or willful misconduct by the Customer.

(c) Parts, accessories, and/or attachments other than that supplied by Servogear, also in the event of Service Work performed by Servogear. (d) Normal wear and tear of parts.

(e) Use of unsuitable items or consumables that were not provided by Servogear. (f) Any use, service, or operation of any equipment, parts, or components upon which service work was performed that was not in conformity with manuals, instructions, or specifications provided by Servogear or which is otherwise not in accordance with normal industry practice.

7.5 THIS CLAUSE 7 SETS FORTH THE ONLY WARRANTY APPLICABLE TO THE SERVICE WORK PERFORMED BY SERVOGEAR AND IS IN LIEU OF ANY OTHER WARRANTIES, GUARANTEES, OBLIGATIONS, AND LIABILITIES EXPRESS OR IMPLIED INCLUDING WARRANTIES, GUARANTEES, OBLIGATIONS, OR LIABILITIES AGAINST NON-CONFORMITY OR DEFECTS. THE CUSTOMER HEREBY WAIVES ALL OTHER REMEDIES, WARRANTIES, GUARANTEES AND LIABILITIES, EXPRESSED OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION FITNESS FOR PURPOSE, MERCHANTABILITY OR SATISFACTORY QUALITY).

## 8. INSURANCE

Both Servogear and the Customer shall at their own cost provide and maintain comprehensive insurance coverage to protect their own property and personnel. Each party shall obtain a waiver of all rights or recourse and subrogation against the other party from its insurers as well as indemnify and hold the other party harmless for all claims of or by either of the parties' insurers.

## 9. SERVOGEAR'S LIABILITY

9.1 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, SHALL SERVOGEAR BE LIABLE FOR ANY INDIRECT, CONTINGENT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED OR ARISING (WHETHER ACTUAL OR ANTICIPATED) NOR FOR LOSSES OR DAMAGES (WHETHER ACTUAL OR ANTICIPATED) CAUSED BY REASONS OF UNAVAILABILITY OF THE EQUIPMENT OR THE FACILITY, SHUTDOWNS OR SERVICE INTERRUPTIONS,

LOSS OF USE, LOSS OF PROFITS OR REVENUE, LOSS OF SAVINGS, LOSS OF REPUTATION, INVENTORY, OR USE CHARGES, COST OF PURCHASED OR REPLACEMENT POWER, INTEREST CHARGES OR COST OF CAPITAL OR ANY CLAIMS OF THE CUSTOMER'S CUSTOMERS PUNITIVE OR EXEMPLARY DAMAGES, THE COST OF SUBSTITUTED EQUIPMENT, SPARE PARTS OR SERVICES OR REPLACEMENT, REMOVAL, OR REINSTALLATION SERVICE WORK NOT ARISING FROM THE WARRANTY PROVIDED HEREIN, TOWAGE, CHARGES, POLLUTION REMEDIATION COSTS, COSTS OF DOCKING, DIVING, OR SUBSEA WORK, DAMAGE TO ANY VESSEL, ENGINE ROOM, YARD, OR OTHER PROPERTY (INCLUDING DAMAGE TO GOODS OWNED BY THE CUSTOMER), DAMAGE TO ANY EQUIPMENT OR PROPERTY OTHER THAN THE EQUIPMENT, COMPONENTS, AND PARTS ON WHICH SERVICE WORK WAS PERFORMED HEREUNDER, COSTS FOR ANY ADDITIONAL TESTS, SEA TRIALS, DEBRIS REMOVAL OR FOR LOSS OF TIME OF USE OF ANY EQUIPMENT, INSTALLATION SYSTEM, OPERATION, OR SERVICE.

9.2 NOTWITHSTANDING ANY OTHER PROVISION OF THE CONTRACT, IN NO EVENT SHALL SERVOGEAR'S AGGREGATE LIABILITY TO THE CUSTOMER UNDER THIS CONTRACT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL THEORY OR EQUITY, EXCEED THIRTY PERCENT (30%) OF THE CONTRACT PRICE.

9.3 Servogear shall not be liable for any work performed by the Customer or any other third party. The Customer shall bare the risk of loss of any equipment and other goods in the Service Work scope, even if such equipment and other goods are in facilities by Servogear.

## 10. CUSTOMER'S ADDITIONAL OBLIGATIONS

10.1 The Customer is required to comply with all laws, rules, and regulations applicable at the work site, and including any arising out of the performance of the Service Work. The Customer is obligated at no extra cost to Servogear, to provide all the following facilities and services which must be of sufficient quality and/or quantity for Servogear's performance of the Service Work, unless otherwise agreed to in a written statement by either or all parties.

10.2 Heated and/or air-conditioned facilities with available drinking water for working, boarding, and lodging shall be provided in close proximity to the work site along with the following regards: (a) Changing rooms, including toilet, and washing facilities for the use of Servogear personnel; (b) Access to office space equipped with telephone and/or WIFI, internet and/or other communication needs;

10.3 Assistance requested by Servogear for required customs formalities required for the import and export of Servogear equipment and tools, free of all duties and taxes;

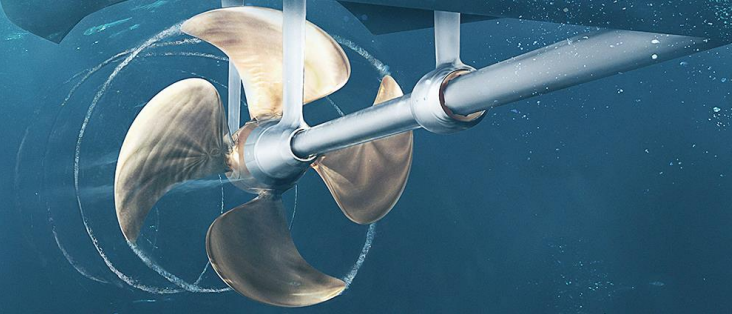
10.4 Assistance to Servogear personnel with obtaining visas and any other official documents required for entry, exit, residence or working permit for the country of the service work site, including free ingress and egress from the work site.

10.5 Information concerning: (1) local laws and regulations applicable to the Service Work; and any dangerous conditions or unusual risks that may be encountered in the Customer's country, work site, and/or the use of equipment or tools provided by the Customer.

10.6 The Customer shall also provide any additional reasonable safety measures requested by Servogear. In the event that the Customer is unable or unwilling to provide any such facility or service, Servogear may, at its option, terminate the Contract without liability to the Customer or itself provide such facility or service for the account of the Customer.

## 11. HSE (Environmental, Health, and Safety) Responsibilities

11.1 The Customer is obligated to maintain safe working conditions at the work site, including, without limitation, implementing appropriate procedures regarding arsenic, asbestos, lead, or any other hazardous waste, materials, and/or substances as defined by any legislation or international convention relevant or applicable to the Service Work provided. ("Hazardous Materials") and confined space entry affixing



labels or plates containing warnings and/or safety, and operation procedures and instructions as required by applicable laws and regulations.

**11.2** In a timely manner, the Customer shall inform Servogear in writing of all potential health, safety, and/or environmental requirements procedures and instructions applicable at the work site. Without limiting the Customer's responsibilities under this Clause 11, Servogear has the right, but not the obligation to, for time to time, review and inspect applicable health, safety, and environmental documentation, procedures, and conditions at the work site.

**11.3** If, within the reasonable opinion of Servogear, the health, safety, or security of personnel and/or work site is, or is apt to be, imperiled by safety risks, terrorist acts or threats, the presence of or threat to exposure to Hazardous Materials or unsafe working conditions, Servogear and its' representatives have the same responsibility and authority as the Customer to stop the Service Work. Servogear may, in additions to other rights or remedies available to it, evacuate some or all its personnel from the work site, suspend performance of all or any part of the Service Work Contract, and/or remotely perform or supervise the Service Work. Any such occurrence shall be considered an excusable event without any liability to Servogear. The Customer shall reasonably assist in any such evacuation.

**11.4** Operation of the Customer's equipment is the responsibility of the Customer. Servogear is not liable nor has any responsibility for the pre-existing conditions of the Customer's equipment or the work site. Prior to Servogear starting any work at the work site, the Customer shall provide documentation that identifies the presence and condition of any Hazardous Materials and/or contaminated substances, elements or waste of any kind that are restricted by applicable laws or regulations, existing in or about the Customer's equipment or the work site that Servogear may encounter while performing under a Service Work Contract.

**11.5** The Customer shall disclose to Servogear any industrial hygiene and environmental monitoring data regarding conditions that may affect Servogear's work or personnel at the work site. The Customer shall also the responsibility to immediately inform Servogear of any changes in such conditions.

**11.6** As stated in Clause 6.5, the Customer shall aid Servogear personnel with proper medical assistance when needed.

**11.7** Servogear representatives shall notify the Customer if they become aware of the following: (i) conditions at the work site differing materially from those disclosed by the Customer; or (ii) previously unknown physical conditions at work site differing materially from those ordinarily encountered and generally recognized as inherent in Service Work of the character provided for in the Contract; or (iii) work assignment extends beyond the acceptable limit of twelve (12) hours or the applicable legal limit of work hours, whichever is shorter, in a single work shift. If any such conditions cause an increase in Servogear's cost of, or the time required for, performance of any part of the Service Work Contract, an equitable adjustment in price and schedule and Servogear's rest cycle shall be made.

**11.8** If Servogear encounters Hazardous Materials in the Customer's equipment or at the work site that require special handling or disposal, Servogear is not obligated to continue Service Work affected by the hazardous conditions. In such an event, the Customer is responsible for proper disposal, and cleanup of hazardous wastes in accordance with applicable laws and regulations and all costs related to these activities. Only after the work site has been deemed safe again by authorities shall Servogear return to the worksite. Servogear is entitled to an equitable adjustment of the price and schedule to compensate for any increase in cost's such as service engineer waiting time or tools and or parts affected.

**11.9** The Customer shall indemnify Servogear for any and all claims, damages, losses, fines, penalties, and expenses arising out of or relating to any unsafe working conditions, Hazardous Materials and/or contaminated substances, elements, or waste of any kind that are restricted by applicable laws or regulations which are or were: (i) present in or about the Customer's equipment or the work site prior to the commencement of Servogear's Service Work; (ii) improperly handled or disposed of by the Customer or the Customer's employees, agents, contractors, or

subcontractors; or (iii) brought, generated, produced, or released on the work site by parties other than Servogear.

## **12. SECURITY**

To the extent permitted by law, the Customer hereby grants Servogear a lien on and a continuing security interest, and when applicable a maritime lien for necessities, in and to all equipment, parts, and components upon which the Service Work is performed and all products and proceeds derived from the sale or lease thereof as security for the payment in full such Service Work. The Customer hereby waives any and all claims, defenses, and causes of action that the Customer may have in connection with the exercise of any such lien rights by Servogear.

## **13. CYBERSECURITY PROTECTION**

Where applicable, Servogear shall deliver remote monitoring or cyber security-related equipment, if any, together with its logic-bearing system components (e.g., hardware, software, and firmware hereafter referred to collectively as the "Critical Components") free of any software virus and malware detectable by current standard industry practices and policies. Unless otherwise agreed, upon delivery of any such equipment provided by Servogear, the Customer shall be solely responsible for systems integrations and/or system security engineering for any equipment not provided by Servogear. It is the Customer's sole responsibility to protect Critical Components from any External Cybersecurity Threat or Internal Cybersecurity, including against hardware and software vulnerabilities. In recognition of the foregoing, the Customer agrees and covenants that it shall use the degree of care appropriate to prevent unauthorized access, use, or hacking of the Critical Components provided in connection with any equipment provided by Servogear and shall do so in a manner that is no less rigorous than any recommendations provided by Servogear and accepted industry practices.

## **14. Disputes**

**14.1** All disputes arising out of or in connection with the Contract shall be finalized by a settlement under the Rules of Arbitration of the International Chamber of Commerce in accordance with the said rules.

**14.2** Upon submission of arbitration, the parties shall mutually appoint an arbitration tribunal of three (3) members. One of the arbitrators to be an attorney-at-law and to be appointed as Chairman of the tribunal.

**14.3** In the event of the parties failing to name arbitrators within a period of fourteen (14) days after the demand for arbitration was filed by one or other parties, the Chief Justice of the Gulating law circuit in Norway shall appoint three (3) arbitrators upon demand by one of the parties. The arbitrations tribunal's decisions shall be based on Norwegian Law.

**14.4** The arbitration proceedings shall be in the English language and shall take place in Bergen, Norway.

**14.5** Nothing contained in this Clause shall preclude the Contractor (Servogear) from bringing legal action or proceeding against the Customer for purposes of enforcement, injunctive relief, or interim or remedial measures in the courts of any jurisdiction where the Customer or any of its property or assets may be found or located, and the Customer hereby irrevocably submits to the jurisdiction of any such court.