

GENERAL TERMS AND CONDITIONS OF PURCHASE FOR ESBJERG SHIPYARD A/S

Applicable from 1 July 2022

1. Application

In respect of all offers, sales, supplies, services, etc., offered and delivered by the contractor (the "Seller") to ESBJERG SHIPYARD A/S, Central Business Register no. (CVR no.) 12854242 (the "Buyer"), including but not limited to supplies or services related to reconstruction works, new installations, repair works and/or any related supplies and services on vessels these general terms and conditions of purchase (the "Terms") apply, unless otherwise agreed upon in writing with the Buyer and the Terms are an integral part of all contracts concluded with the Buyer.

The Terms apply irrespective of the Seller's additional and/or conflicting terms stated in orders or other communications from the Seller. Any provisions derogating from or supplementing the Terms are valid only to the extent expressly accepted in writing by the Buyer.

For the purpose of the Terms, the Buyer and the Seller are collectively referred to as the "Parties" and individually a "Party".

2. Prices

Unless otherwise specifically agreed, all prices quoted by the Seller are in Danish kroner (DKK) and exclusive of VAT, freight, as well as other direct and indirect taxes.

The prices in the Seller's offers are fixed meaning that the Seller is not entitled to increase the prices payable by the Buyer in the event of cost increases taking place in the period until the Buyer's placement of a purchase order in, for example prices of raw materials, subcontracting work, labour costs based on collective agreements, payroll taxes of any kind, taxes on goods, tariff rates, import/export duties, the DKK exchange rate or other factors.

Further, the Seller must bear any other extra costs resulting from changes in laws, regulations, rules or the generally accepted interpretation of such until the Buyer's placement of the order.

3. Purchase orders

The Buyer enters into any purchase by placing purchase orders with the Seller for the delivery of materials and/or services (the "Work") referencing to these Terms.

The Seller shall acknowledge acceptance or rejection of the purchase order by returning an order confirmation in writing to the Buyer within three (3) days of receipt. In case the Seller does not accept or reject the purchase order in writing within the 3-day period, the Buyer shall be entitled to cancel and terminate the purchase order without any liability.

Any late acceptance will be effective only if expressly accepted in writing by the Buyer.

The Seller's acceptance of the purchase order will be limited to the terms of the purchase order and these Terms. Any terms and conditions submitted by the Seller that are conflicting or additional to the terms contained in the Buyer's purchase order or these Terms, are not accepted by the Buyer and will be void, unless otherwise expressly accepted in writing by the Buyer.

4. Codes of Conduct, safety and other requirements applicable to Works

The Seller undertakes to observe any industrial codes of conduct applicable to the Seller's delivery to the Buyer or requested by the Buyer and the Works, or alternatively internationally recognized standards on human rights, anti-corruption, environment and labour, such as the United Nations Global Compact (UNGC) or Business Social Compliance Initiative (MSCI).

Further, the Seller undertakes at all times to observe any applicable time schedules and safety requirements set out by the Buyer from time to time for the Seller's performance of Work at the Buyer's premises and floating dock, including but not limited to requirements in respect of registration in logs of the party who will be performing Work and the time thereof, provision of negative covid-19 certificates prior to commencement of the Work, etc. Prior to commencement of the Work, the Seller must provide the Buyer with certificate(s) of insurance evidencing that the required minimum insurance coverage to be established by the Seller pursuant to clause 11 of the Terms is fulfilled/has been obtained. The Seller is responsible for and must bear all expenses connected to clearance and clean-up of the Buyer's facilities and floating dock after completion of the Work.

The Seller agrees to accommodate any potential audit to verify that the Seller has observed its obligations under this clause. The Seller must require any subcontractors to observe and pass on such requirements to any subcontractors pursuant to this clause 4 and the Terms.

Material or persistent violation of this clause constitutes material breach of the agreement with the Buyer to the effect that the Buyer is entitled to terminate the agreements and claim compensation for any losses incurred as a result of the Seller's breach.

5. Authorisations, certificates and Compliance with Laws

The Seller must hold all authorisations and licenses, including material certificates and any classification approvals required to execute and perform the Work, and must keep these in force, until the Work has been delivered to and accepted by the Buyer.

Likewise, the Seller is responsible for ensuring that the Seller's potential subcontractors possess all such authorisations, licenses required to execute and perform the Work, as well as for providing the relevant training and knowledge to employees and potential subcontractors.

The Seller represents, warrants, certifies and covenants that it shall comply with all laws, treaties, conventions, protocols, regulations, ordinances, codes, standards, directives, orders and rules issued by governmental agencies or authorities which are applicable to the Work.

6. Delivery and passing of risk

The place of delivery is determined by the Buyer. If no address has been stated in the Buyer's purchase order, delivery must take place at Buyer's business address.

Unless otherwise agreed in writing, the Seller bears the risk of any accidental damage to the Work incurred until delivery has taken place and has been accepted by the Buyer.

7. Payment

Unless otherwise accepted by the Buyer in writing, the payment terms are current month + 45 days from receipt of the Seller's invoice.

The Seller is not entitled to forward an invoice until the Work has been accepted by the Buyer.

As a minimum, the invoice must specify the Buyer's order number, the precise specifications of the order and the date of delivery, cf. clause 6.

Unless otherwise accepted by the Buyer in writing, the Buyer is under no obligation to effect payment until the Work including relevant documentation, etc., comprised by the Buyer's purchase order, has been delivered to and accepted by the Buyer.

The Seller is not entitled to set off any counterclaims against the Buyer not acknowledged in writing by the Buyer.

8. Warranty obligations

The Seller warrants that the Work is: a) free from any potential claims, liens or encumbrances (other than liens arising through the Buyer), b) new and of merchantable quality, not used, rebuilt or made of refurbished material, unless approved in writing by the Buyer, c) free from all defects in design, workmanship and material, d) in compliance with any classification approvals, e) fit for its intended purpose, and f) provided in strict accordance with all specifications, samples, drawings, designs, descriptions or other requirements approved by the Buyer.

The Seller further warrants that it will perform and complete the Work in a competent, safe and professional manner in accordance with the highest standards and the best practices of the Seller's industry and in compliance with applicable laws and regulations. To the extent that the Seller is responsible for design, the Seller must design the Work to have a design life of not less than 20 years, unless otherwise specified in writing by the Buyer.

The Seller's warranties run for a period of 24 months from the date of the Buyer's acceptance of delivery in respect of all required tests, etc.

During the warranty period, the Seller is liable for any defects or other non-conformity with the Seller's warranties, unless the Seller proves that these are not attributable to the negligent actions or omissions of the Seller or the Seller's subcontractors or caused by poor Work provided by the Seller. This applies irrespective of when notice to the Seller has been given.

In case of any defects or other non-conformity in the Seller's warranties, the Buyer may, at its option: a) require that the Seller, at its own expense, inspects, removes, reinstalls, ships and repairs or replaces/reperforms non-conforming Work with Work that is in conformity with the Buyer's purchase order, b) take such actions as may be required to remedy all defects and/or bring the Work into conformity with the Buyer's purchase order, in which event all related costs and expenses will be for the Seller's account, and/or c) terminate the agreement and reject and/or return at the Seller's risk and expense all or any portion of such Work and claim compensation for the Buyer's loss.

Any repaired or replaced Work, or part thereof, must carry warranties on the same terms as set forth above. For any repairs or replacement, the Seller must, at its own expense, perform any tests requested by the Buyer to verify conformity with the purchase order.

If the Buyer incurs costs due to the Seller's unreasonable refusal to acknowledge that the Work performed is defective or otherwise not in conformity with its purpose, the Seller must indemnify the Buyer against any costs that the Buyer incurred in remedying the relevant defect or non-conformity as well as any other direct or indirect loss incurred.

9. Intellectual property rights

The Buyer will obtain ownership to and all rights of use in the Work and any documentation supplied.

All industrial and/or intellectual property rights including, but not limited to results, investigations, improvements and know-how, whether patentable or not, relating to the Buyer's information, will be the sole property of the Buyer.

To safeguard the interests of the Buyer in industrial and/or intellectual property rights including, but not limited to results, investigations, improvements and know-how relating to the Buyer's information, the Seller must immediately notify the Buyer in the event of such matters in full detail including all raw data. The Seller undertakes to assign free of charge to the Buyer any industrial and/or intellectual property rights including, but not limited to results, invention, improvement and/or know-how, relating to the Buyer's information. The Seller agrees to take all reasonable steps to ensure such assignment. Upon the Seller's completion of the evaluation of information, the Seller undertakes to return to the Buyer all information received and any material, data and results derived from such information as well as all copies thereof.

All industrial and/or intellectual property rights including, but not limited to results, inventions, improvements and know-how, whether patentable or not, developed specifically for the Buyer will be the sole property of the Buyer.

Any use of the Buyer's name, logo, specific products, drawings or any other material is not permitted without the Buyer's prior written approval. The use of the Buyer's name as a customer reference is likewise subject to prior written approval.

10. Proprietary information and material

All material related to the Buyer's purchase order, including but not limited to, documentation, drawings and software handed over or disclosed to the Seller will remain the property of the Buyer and must not be used by the Seller for any other purpose than performing the purchase order and must be stored in a secure manner by the Seller. At the request of the Buyer, the Seller must return all documentation and materials including copies received from the Buyer.

The Seller must not publish, disclose or relay to any third party any information in whatever form concerning a purchase order or the Work. All information disclosed by the Buyer, any affiliate of the Buyer or any third party on behalf of the Buyer, must be kept strictly confidential and must not be disclosed by the Seller to any third party without the Buyer's prior written approval.

The Seller must not use information received from the Buyer for any other purpose than fulfilling a purchase order. Information disclosed is the sole property of the Buyer and nothing in the purchase agreement may be construed as granting the Seller, by implication or otherwise, any right or license with respect to the information.

Notwithstanding the foregoing, the Seller may disclose information from the Buyer to reliable employees, assistants and sub-contractors, to the extent necessary to perform the Work, provided that such parties are bound by obligations of confidentiality and non-use equal to these Terms.

The Seller undertakes to ensure that each employee of the Seller as well as each employee of any subcontractor, undertakes to comply with a similar confidentiality and non-usage obligation as that undertaken by the Seller.

11. Liability and insurance

The Seller undertakes to defend, indemnify, release and hold the Buyer and its affiliates and each of its directors, officers, managers employees, agents, representatives, successors and assigns (collectively referred to as the "Indemnitees") harmless from and against any and all claims, legal actions, demands, settlements, direct or indirect losses, judgements, fines, penalties, damages, liabilities, including liability for environmental damages, costs and expenses of any nature whatsoever, including all attorneys' fees (collectively referred to as "Claims") arising from any act or omission or delay caused by the Seller, its agents, employees or subcontractors (collectively referred to as "Seller Personnel"), except to the extent attributable to the negligence of the Buyer in which case the Buyer's right of indemnification will be reduced proportionately.

The Seller agrees to include a liability clause substantially similar to the above clause in all its subcontracts entered into in connection with the Seller's performance of a purchase order placed by the Buyer. In addition, the Seller undertakes to defend, indemnify, release and

hold harmless the Indemnitees from and against any Claims arising out of employment or labour claims or proceedings initiated by Seller Personnel against the Buyer. The Seller further agrees to indemnify the Buyer against any attorneys' fees or other costs incurred by the Buyer in enforcing its rights under this clause.

For the duration of the Work and a minimum of 5 years from the Buyer's acceptance of delivery, the Seller is under an obligation to maintain, through generally reputable and licensed insurance companies established in Denmark, the following insurance policies: a) Commercial General/Public Liability Insurance on a claims-made basis, with a total sum of a minimum of DKK 50 million per insurance event and annually, covering bodily injury and property damage (including bodily injury and property damage to third parties), including cover for welding works, hot work in general as well as works carried out below the water surface, and products and completed operations liability including coverage for contractual liability pertaining to liabilities assumed under the Buyer's purchase order and b) appropriate Workers' Compensation Insurance.

The Seller must provide the Buyer with certificate(s) of insurance evidencing that the required minimum insurance coverage under these Terms is in effect. The certificate(s) of insurance must indicate that the required coverage extensions are included on the required policies. Acceptance of certificate(s) not in compliance with the stipulated coverage in these Terms will not imply that the Buyer has waived its insurance requirements, or any other obligation set forth therein. The above insurance coverage can be met using one or more policies.

The Seller agrees to include an insurance clause substantially similar to the above clause in all its subcontracts entered into in connection with the Seller's performance of a purchase order placed by the Buyer.

12. Time of delivery, delay and compensation for late delivery

The Seller is aware that any delay may impose a loss on the Buyer as a result of having to pay liquidated damages to customers. If, instead of designating a specific date of delivery, the Parties have indicated a period within which delivery must take place, such period will be deemed to have started as soon as a purchase agreement has been concluded.

In case of delayed delivery or suspected delayed delivery, the Seller must immediately notify the Buyer. Failure to notify the Buyer of delay or suspected delay in a timely manner will be considered material breach of the agreement with the Buyer.

The Buyer may accept such delay or suspected delay in writing after which a new delivery date is agreed.

In case of delayed delivery or suspected delayed delivery which has not been accepted in writing by the Buyer, the Buyer has, without prejudice to any other rights or remedies which the Buyer may have under the agreement or applicable law, the option to either:

- Cancel the purchase agreement or a part thereof and claim damages for losses caused by the Seller's delay, whether direct or indirect, including – but not limited to – extra costs and expenses related to removing vessels from the Buyer's premises; or
- Maintain the agreement and claim liquidated damages from the Seller for the time period between the scheduled delivery date and the actual delivery date without any further notice to the Seller. The liquidated damages shall be calculated as follows: liquidated damages equal 5 % of the purchase price per commenced week of delay up to a maximum of 25 % of the total contract price during the delay period; or
- Maintain the agreement and claim damages from the Seller for any direct or indirect loss which the Buyer may suffer due to the delay, including but not limited to any charges and/or additional costs the Buyer may have incurred as a result of the delay, including any liquidated damages and delay charges the Buyer has incurred towards the Buyer's customers as a result of the Seller's delay.

13. Termination

In case the Seller becomes subject to bankruptcy proceedings, applies for an administration order, files for compulsory composition, or applies for debt restructuring, the Buyer is entitled to terminate any and all purchase agreements without incurring any liability.

14. Force Majeure

Neither Party will be considered to have defaulted on the performance of its obligations under a purchase agreement if performance is prevented or delayed by Force Majeure.

Force Majeure means any cause beyond the reasonable control of the Party affected who must immediately notify the other Party thereof, including but not limited to war, revolution, terrorism, civil commotion, strikes and other labour disputes, lockouts, pandemics, epidemics, fire, wind, flood, earthquake or any other acts of God ("Force Majeure").

Any time limits specified for the performance of a Party's obligations must be extended by a period of time equal to that of the Force Majeure event at the full discretion of the Buyer.

The Party whose performance is affected by Force Majeure must without undue delay notify the other Party thereof in writing and must keep the other Party fully informed of the reason for its non-performance and the expected duration of the Force Majeure event. If a Party fails to give such notification, the other Party is entitled to compensation for the additional costs incurred by that Party and which could have been avoided if the Party had received such notification.

The Buyer is entitled to terminate any purchase agreements with immediate effect if the situation causing the Force Majeure extends to more than 3 (three) months.

15. Cancellation

Prior to the Seller's acceptance of any purchase order, the Buyer may at any time cancel all or a portion of the goods and/or services comprised by the purchase order for any reason without incurring liability by giving written notice thereof to the Seller.

After the Seller's return of an order confirmation, the Seller will in the event of the Buyer's cancellation, be entitled to compensation for the following documented costs to the extent that the Seller demonstrates that such costs result directly from the Buyer's cancellation:

- Payment of the amount of the purchase order directly attributable to the cancelled portion which is specifically and properly purchased or manufactured for the Buyer as of the date of cancellation but not returned or returnable to the Seller's normal stock range;
- Costs incurred in removing the Seller's specific equipment from the Buyer's site and in the repatriation of the Seller's personnel from the Buyer's site;
- Costs incurred in protecting the Work and reimbursement for any subcontractor's documented and direct termination costs which could not be avoided by either the Seller or the subcontractor; and
- Any other additional, documented out-of-pocket expenses reasonably incurred by the Seller which could not be avoided by the Seller.

The Seller's potential claim for any of the above documented costs must be deemed to have been waived unless asserted within 30 days from the Seller's receipt of the Buyer's cancellation notice.

The Seller's cancellation of an order placed by the Buyer is accepted only upon prior written agreement with the Buyer and in all events only against the Seller's payment of any costs and losses incurred as calculated by the Buyer.

16. Assignment and change of control

The Seller may not, either in full or in part, transfer its obligations under a purchase order to any subcontractor or another third party without the prior written acceptance from the Buyer.

If the Seller needs to make use of a subcontractor or another third party, the Seller must notify the Buyer of the name, address and contact information of the enterprise, guaranteeing that the party in question complies with these Terms as well as the requirements set out in clause 4, which includes providing the Buyer with certificate(s) of insurance evidencing that the required minimum insurance cover under clause 11 of these Terms has been taken out by the subcontractor.

Material or persistent violation of this clause by the Seller or the Seller's subcontractors constitutes material breach of the agreement with the Buyer to the effect that the Buyer is entitled to terminate the agreement and claim compensation for any and all purchase agreements without incurring any liability.

The Buyer reserves the right to reject the proposed subcontractor/third party without explanation.

The Buyer is entitled to transfer any and all rights and obligations under any purchase order concluded with the Seller to a third party without the Seller's consent.

Where the Seller is a legal entity, the Buyer is furthermore entitled - but not under an obligation to - immediately terminate the Parties' agreement by written notice to the Seller if the Seller is subject to a change of control.

Change of control means one of the following: a) sale or other transfer of the Seller's assets constituting more than 50% of the book value (calculated on the basis of one single transfer or several consecutive transfers), b) merger or other similar reorganization, c) transfer of 50% or more of the voting rights in the Seller or any transfer which otherwise implies a transfer of the controlling influence in the Seller (based on one single transfer or several consecutive transfers) and d) any other transfer or several consecutive transfers which to a significant degree have the same outcome as described in clause a-c above.

17. Governing law and venue

Any dispute arising out of or in connection with the agreement concluded between the Parties or these Terms, including disputes regarding its existence, validity or termination, are governed by Danish law, excluding the application of Danish conflict of laws rules and CISG and must first be referred to mediation administered by the Danish Institute of Arbitration in accordance with the Rules on Mediation adopted by the Board of the Danish Institute of Arbitration.

If the mediation proceedings are concluded without a settlement, the dispute must at the Buyer's discretion be finally settled by either a) arbitration at the Danish Institute of Arbitration in accordance with the Rules of Arbitration adopted by the Board of the Danish Institute of Arbitration or b) the City Court of Esbjerg as the court of first instance.

The Seller agrees to include a clause regarding governing law and venue similar to the above clause in all of its subcontracts or other agreements with third parties entered into in connection with the Seller's performance of the agreement with the Buyer.

18. Change in terms and conditions of purchase

In ongoing contractual relationships, the Buyer is entitled to change the Buyer's terms and conditions of purchase applicable from time to time at three months' prior written notice and, subsequently, the new version will apply.