

1. RANGE OF APPLICATION

These general terms and conditions shall apply where the Parties have agreed in writing or otherwise thereto. Any deviations from these terms and conditions must be agreed in writing.

2. DEFINITIONS

In these terms and conditions, the following expressions shall have the meanings set out below:

- 2.1 Contract: The parties written agreement, including appendices, related to the Delivery.
- 2.2 Supplier: Scale Aquaculture AS
- 2.3 Equipment: All machinery, apparatus, software, materials, documentation and items delivered by the Supplier pursuant to the Contract.
- 2.4 Delivery: The Equipment and the result of the work to be performed by the Supplier pursuant to the Contract. Where it has not been agreed that the Supplier shall perform work, the Equipment shall be deemed to constitute the Delivery. Where the Delivery is to be taken over in independent parts intended to be used independently of each other, these terms and conditions shall apply to each such part. In such cases, the Delivery shall mean the individual partial delivery.
- 2.5 Contract Price: The consideration payable for the Delivery, exclusive of value added tax (VAT). Where payment for installation is to be made on a cost-reimbursement basis and the installation work has not been completed, the Contract Price shall be determined in the Contract.
- 2.6 Written Notice: Notices sent by a Party authorised to bind such Party, and received by the other Party through communication methods commonly used in commercial practice.

3. TITLE TO THE EQUIPMENT

- 3.1 Title to the Equipment shall pass to the Buyer in accordance with Clause 14.7 below.
- 3.2 The Buyer shall not, without the Supplier's prior consent, sell, assign, pledge or otherwise provide the Equipment as security until title has passed to the Buyer and, in any event, not prior to delivery.
- 3.3 The Buyer may not assign or transfer this Contract or any of the Buyer's rights or obligations without the Supplier's prior written consent.
- 3.4 The Supplier shall have a right of first refusal to take back the Equipment for recycling, and the Buyer shall not dispose of or transfer the Equipment to any third party for recycling unless the Supplier has declined such right.

4. RIGHT TO USE

- 4.1 The Buyer shall comply with all public and private rules and regulations applicable to the use of the Equipment, including safety and environmental requirements. The Buyer shall obtain all required public or private authorisations, permits and approvals in connection with the possession or use of the Equipment.
- 4.2 The Buyer may not assert, as a lack of conformity, that required authorisations, permits or approvals cannot be obtained, or that the use of the Equipment is interrupted or restricted by laws, regulations, individual administrative decisions or private regulations affecting the Buyer and its use.

5. MAINTENANCE

- 5.1 The Buyer shall comply with the instructions provided by the Supplier regarding use, including but not limited to instructions contained in manuals and similar documentation from the Supplier.
- 5.2 Where the Buyer has not entered into a service agreement with the Supplier, the following shall apply: For repairs and maintenance, original spare parts specified by the Supplier or by a repairer approved by the Supplier shall be used. The Buyer shall not to replace, modify or alter essential components during maintenance without clarifying the consequences with the Supplier.
- 5.3 Where the Buyer fails to comply with the maintenance requirements set out in Clause 5.2, any right to make claims for defects, lack of conformity or warranty shall lapse to the extent the defect or lack of conformity is caused by such non-compliance.

6. INSURANCE

- 6.1 The Buyer shall be responsible for ensuring that the Delivery is adequately and appropriately insured from the time of takeover.

7. CHANGE OF CONTACT PERSONS

- 7.1 Any change of contact persons shall be notified to the other Party in writing.

8. AMENDMENTS AND CANCELLATION

- 8.1 The Buyer may request changes relating to the quantity and type of additional equipment, excluding changes to the schedule, provided that such changes are within what the Supplier could reasonably have expected at the time the Contract was entered into. Such changes are subject to the Parties' agreement on the price and time consequences of the change. The Supplier shall not be obliged to carry out changes until the Parties have entered into a written agreement regulating the changes and their effects on the Contract Price, the time of takeover and any other contractual terms.
- 8.2 In the event of cancellation during the production phase (i.e. prior to the delivery date), the Supplier shall be entitled to compensation for all costs incurred as well as any financial loss suffered as a result of the cancellation. Cancellation shall be effected as early as possible, but may not be made later than thirty (30) days after the purchase agreement has been signed.

9. TECHNICAL DOCUMENTATION AND INFORMATION

- 9.1 All technical documentation concerning the Delivery that is provided by one Party to the other, either before or after the conclusion of the Contract, shall remain the property of the providing Party.

- 9.2 Technical documentation or information received may not, without the consent of the other Party, be used for purposes other than the Delivery, nor may it be copied without such consent.

- 9.3 No later than upon takeover, the Supplier shall, free of charge, place at the Buyer's disposal one set, or an agreed number of sets, of technical documentation sufficiently detailed to enable the Buyer to carry out commissioning, operation and necessary maintenance of the Delivery. The Supplier shall not be obliged to provide documentation relating to the manufacture of the Equipment or spare parts thereof.

10. SOFTWARE

- 10.1 Any right to use software included in the Delivery shall be regulated by a separate appendix to the Contract. Support and service for software require a separate agreement between the Parties.

11. PREPARATION FOR INSTALLATION

- 11.1 Unless otherwise agreed, the Supplier shall in due time prior to installation provide the Buyer with drawings or descriptions showing how the Equipment is to be installed by the Buyer. The Supplier shall provide all information necessary for foundations, access to the installation site and establishment of all necessary connections to the Equipment required by the Delivery.
- 11.2 The Supplier shall notify the Buyer by Written Notice when the Equipment is ready for installation so that the Buyer may timely perform its obligations pursuant to Clauses 11.3 and 11.4.
- 11.3 The Buyer shall carry out necessary preparatory works in accordance with the information provided. Unless otherwise agreed, such work shall be completed no later than one (1) week prior to commencement of installation. The Buyer shall notify the Supplier by Written Notice when the preparatory work has been completed.
- 11.4 Prior to commencement of installation, the Buyer shall ensure that water, power, compressed air and electricity are available at the installation site in the required scope, free of charge to the Supplier.
- 11.5 The Buyer shall, free of charge, provide secure storage facilities at or near the installation site suitable to prevent theft of and damage to the Equipment, the Supplier's tools and equipment.

12. INSTALLATION WORK

- 12.1 Each Party shall appoint a representative for the installation work by Written Notice no later than the Supplier's notice that the Equipment is ready for delivery.
- 12.2 The representatives shall be present at or near the installation site during working hours and shall, unless otherwise agreed, be authorised to act on behalf of their respective Parties in all matters relating to the installation work.
- 12.3 Unless otherwise agreed, the Buyer shall make available, free of charge, the cranes, lifting equipment, scaffolding and transport equipment necessary for installation, as specified by the Supplier by Written Notice no later than one (1) month prior to commencement of installation.
- 12.4 The Supplier shall ensure that applicable safety regulations at the installation site are complied with by its personnel.
- 12.5 The Supplier shall notify the Buyer by Written Notice of any special hazards to the surroundings caused by the installation of the Delivery.
- 12.6 The Buyer may not, without the Supplier's prior Written Notice consent, instruct the Supplier's personnel to perform any work.

13. DELAY AND LACK OF CONFORMITY

- 13.1 If the Delivery, in whole or in part, cannot be delivered as agreed, the Supplier shall notify the Buyer in writing as soon as possible, stating the cause and the anticipated delivery time.
- 13.2 If the Delivery is not completed by the agreed takeover date due to circumstances within the Supplier's control, the Buyer shall be entitled to liquidated damages in accordance with Clause 17.
- 13.3 If the Buyer will be unable to receive the Delivery on the agreed takeover date, or if delay on the Buyer's part is likely, the Buyer shall, without undue delay, notify the Supplier in writing thereof, stating the reason for the delay and, insofar as possible, the date on which receipt is expected to take place.
- 13.4 If the Buyer fails to receive the Delivery, the Buyer shall nevertheless make all payments for the delivery as if the Delivery had been completed. The Supplier shall arrange storage at the Buyer's risk and expense. In this case, the Buyer shall still be held responsible for compliance with Clause 6.
- 13.5 Unless prevented by Force Majeure, the Supplier may request the Buyer in writing to receive the Delivery within a reasonable period of time.
- 13.6 If the Buyer, for reasons for which the Supplier is not responsible, fails to take over within the time limit set out in Clause 13.5, the Supplier may, by Written Notice to the Buyer, terminate all or part of the Contract. In such case, the Supplier shall be entitled to compensation for the loss suffered as a result of the Buyer's default.
- 13.7 The Supplier shall remedy lack of conformity in the Delivery caused by errors in design, materials, manufacture or installation within the Supplier's control. The Supplier shall be entitled to verify claimed lack of conformity. The Supplier's liability does not include lack of conformity caused by Buyer-supplied materials, Buyer-specified designs or inadequate preparatory work by the Buyer.
- 13.8 The Supplier's liability does not include lack of conformity arising after takeover, including but not limited to inadequate maintenance, incorrect installation or repair by the Buyer, unauthorised modifications or normal wear and tear.
- 13.9 The Supplier's liability shall only cover lack of conformity that becomes apparent within one (1) year from the date on which the Delivery is taken over in accordance with the Agreement.

- 13.10 The Buyer shall notify lack of conformity by Written Notice without undue delay and no later than two (2) weeks after the lack of conformity was or should have been discovered.
- 13.11 Upon receipt of Written Notice, the Supplier shall remedy the lack of conformity or investigate without undue delay. The Parties shall, as soon as practically possible, agree on the criticality and establish the commencement time for correction.
- Remedy shall take place where the Delivery is located, unless the Supplier determines otherwise.
- If the lack of conformity can be remedied by repair or replacement of a defective part and dismantling and re-installation of the part does not require special knowledge, the Supplier may demand that the defective part be sent to a designated place for repair or replacement. The Supplier's obligations in respect of the defective part shall be regarded as fulfilled when the Supplier delivers a duly repaired or replaced part to the Buyer. If remedying lack of conformity requires intervention in other equipment than the Delivery, the Buyer shall be responsible for any work and costs associated with it.
- 13.12 If the Buyer has given Written Notice as referred to in clause 13.10 and no lack of conformity is found for which the Supplier can be held liable, the Supplier shall be entitled to compensation for the work and costs incurred as a result of the complaint.
- 14. PRICE AND PAYMENT**
- 14.1 Payment terms
- One third (1/3) of the Contract Price shall fall due upon signing
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- 14.2 If partial delivery is agreed, payment shall fall due upon delivery of each part.
- 14.3 Unless otherwise agreed, payment shall be made against invoice with twenty (20) days' payment term.
- 14.4 In the event of late payment, statutory default interest shall accrue in accordance with applicable law.
- 14.5 In the event of late payment, the Supplier may, following Written Notice, suspend the fulfilment of the contractual obligations until payment is made.
- 14.6 If payment has not been made within two (2) months, the Supplier may terminate the Contract and claim compensation.
- 14.7 Title to the Equipment shall remain with the Supplier until full payment has been made, to the extent such retention of title is valid. Risk shall pass upon delivery.
- 14.8 The Supplier reserves the right to adjust prices in the event of non-negligible changes in exchange rates or raw material prices.
- 15. TAKEOVER**
- 15.1 Takeover of the Delivery shall take place in accordance with the Contract.
- 15.2 The Buyer shall confirm takeover by Written Notice without undue delay. Failure to give such confirmation shall not affect whether the takeover has taken place.
- 15.3 Prior to takeover, the Buyer may not use any part of the Delivery. Unauthorised use shall constitute takeover.
- 15.4 Unless otherwise agreed, risk shall pass to the Buyer upon takeover.
- 16. LIABILITY PRIOR TO TAKEOVER**
- 16.1 The Supplier shall be liable for damage to the Delivery prior to takeover, unless caused by the Buyer or a party for which the Buyer is responsible. The Buyer may require that the Supplier remedy the damage at the Buyer's cost, even if the Supplier is not liable for the damage.
- 16.2 The Supplier shall only be liable for damage to the Buyer's property if caused by negligence. The Supplier shall in no event be liable for indirect loss or damage.
- 17. LIABILITY**
- 17.1 The Supplier shall be liable for the Buyer's direct financial loss if a lack of conformity is not remedied by the Supplier in accordance with the Contract. The Supplier shall also be liable for the Buyer's direct financial loss resulting from delay, limited to 1‰ (one per mille) of the purchase price per week, effective from the first day following a delay of two (2) weeks. If the delay is caused by circumstances beyond the Supplier's control, the Supplier shall bear no liability. The liquidated damages shall cease to accrue when they have reached five percent (5%) of the Contract Price.
- Where delay affects only part of the Delivery, liquidated damages shall be calculated on the affected part.
- The Buyer shall lose the right to liquidated damages if the Buyer has not submitted a written claim within three (3) months from the date on which delivery should have occurred.
- Except for liquidated damages pursuant to Clause 17.1 and any damages arising from termination, all other claims by the Buyer in connection with the Supplier's delay are excluded. This limitation of liability shall not apply in cases of willful misconduct or gross negligence on the part of the Supplier.
- 17.2 The Supplier shall in no event be liable for indirect loss or damage. Loss or damage exceeding one third (1/3) of the purchase price shall not be covered. The Supplier shall furthermore not be liable for any loss or damage covered by the buyer's liability insurance, property insurance, or other insurance policies. The Buyer shall maintain liability insurance and property insurance for its operations, as well as any other relevant insurance coverage necessary for its own operations and the delivery of goods and services.
- Notwithstanding the above, the Supplier shall in any event not be liable for loss or damage:
- resulting from the Buyer's failure to carry out normal maintenance, cleaning and inspection (in accordance with the user manual or similar, where applicable),
 - resulting from incorrect installation performed by the Buyer,
 - resulting from the Buyer having combined the Goods with other equipment,
 - resulting from incorrect locality classification or extraordinary weather conditions,
 - resulting from fish escaping from the facility, or
 - resulting from equipment drifting into other equipment.
- 17.3 The Parties limitation of liability shall not apply in cases of wilful misconduct or gross negligence.
- 17.4 Third-party claims for compensation for damage or loss as referred to in Clause 17 shall be notified to the other Party by Written Notice without delay.
- 18. FORCE MAJEURE**
- 18.1 Force Majeure means an extraordinary event beyond a Party's control which the Party could not reasonably have foreseen at the time the Contract was entered into and which the Party could not reasonably be expected to overcome or prevent the effects of.
- 18.2 To the extent it is proven that performance of this Contract has been prevented due to Force Majeure, each Party's obligations shall be suspended for as long as the Force Majeure impediment persists. Each Party shall bear its own costs arising from the Force Majeure event.
- 18.3 The Party seeking to invoke Force Majeure shall notify the other Party as soon as possible of the Force Majeure situation, its cause and its anticipated duration.
- 18.4 Either Party may terminate the Contract if the Force Majeure situation lasts, or it is evident that it will last, for more than sixty (60) days.
- 19. TERMINATION**
- 19.1 Either Party may terminate the Contract by Written Notice with a fourteen (14) day cure period if the other Party commits a material breach of the Contract.
- 19.2 The following circumstances shall always constitute a material breach:
- (a) the other Party enters into debt negotiations, liquidation, business closure, fails to meet its obligations, enters into bankruptcy proceedings, becomes insolvent or declares itself insolvent, unless satisfactory security for due performance of the Contract is provided without undue delay; or
 - (b) a material breach that is not remedied and/or replacement delivery is not made within a reasonable time; or
 - (c) the maximum agreed liquidated damages have been incurred.
- 19.3 Where the Supplier terminates the Contract, the Buyer shall be obliged to pay the Contract Price in full.
- 19.4 Where the Buyer validly terminates the Contract, the Supplier shall only be entitled to payment for the parts of the work that have been delivered and retained after termination.
- 20. CONFIDENTIALITY**
- 20.1 Any information of which the Parties become aware in connection with the Contract and its performance shall be treated as confidential and shall not be disclosed to third parties without the consent of the other Party.
- 20.2 The duty of confidentiality shall not prevent disclosure required by public authorities or use of information where no legitimate interest requires confidentiality, such as where the information is generally known or publicly available.
- 20.3 The Parties shall take necessary measures to ensure that unauthorised persons do not gain access to or become aware of confidential information.
- 20.4 The duty of confidentiality applies to third parties, employees, subcontractors and other third parties acting on behalf of the Parties. Confidential information may only be disclosed to such persons where necessary for performance of the Contract and subject to corresponding confidentiality obligations.
- 20.5 The duty of confidentiality shall apply after termination of the Contract. Employees or others leaving the service of a Party shall be bound by confidentiality obligations after departure.
- 21. INTELLECTUAL PROPERTY RIGHTS**
- 21.1 All intellectual property rights, including copyright, patent protection and protection of trade secrets, relating to manuals, drawings, plans, specifications and software prepared by the Supplier or its employees or representatives shall remain the property of the Supplier.
- 22. DISPUTES AND GOVERNING LAW**
- 22.1 Any disputes arising out of or in connection with the Contract shall be resolved by the ordinary courts of law.
- 22.2 The Contract shall be governed by Norwegian law. Where the Supplier is incorporated in a country other than Norway, the law of the Supplier's country of incorporation shall apply.
- 22.3 The Supplier's registered business address shall be the agreed legal venue for all disputes arising under the Contract.

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