

1. VALIDITY & DEFINITIONS

These general terms apply unless otherwise provided for by written agreement. The terms may be changed by Pon Power AS, hereinafter called PP.

CSA Overhaul shall mean the standard work as described in the CSA agreement/CSA portal for the engines listed in the CSA agreement with the stated intervals.

Office Hours shall mean between 08h00 and 16h00 on Working Days.

PP's warehouse shall mean PP's warehouse at Berger, Oslo.

Running hours shall mean number of hours an engine has run.

Working Day shall mean normal working days, excluding Saturday, Sunday and national holidays recognized in the place of establishment of Supplier.

2. PRIVACY AND PERSONAL DATA

2.1 Parties shall render their full cooperation in order to enable the other party to fulfil its obligations under the applicable relevant laws and regulations in respect of the protection of personal data.

2.2 In performing its obligations in the course of the agreement, PP shall comply with any and all applicable relevant laws and regulations in respect of the protection of personal data relating to customer.

2.3 PP shall process personal data relating to customer only on behalf of customer, in so far as required for the performance of its obligations under the agreement.

2.4 PP shall implement appropriate technical and organizational measures to protect personal data relating to customer against unauthorized or unlawful processing.

2.5 If deemed necessary, the Pon Data Processing agreement shall be attached as attachment to these terms and conditions of sale by PP and signed by Customer

3. OFFER

All offers are without obligation. PP is only obliged to deliver when PP's order confirmation has been sent to the customer. PP is obliged to deliver according to offers given. However, change requests from customer and/or normal delays/adjustments shall be allowed.

4. SPECIFICATIONS DRAWINGS AND TOOLS

4.1 Illustrations, specifications and technical data such as weight, dimensions, volume, performance, power requirements, etc. in brochures and other promotional materials are for information only, and should only be taken as a guide. The drawings included with the tender and delivery may not be reproduced. Similarly, these and possible accompanying artwork and printed matter must not be made available to third parties unless prior written consent by PP. In case the tender is not accepted, the customer is obligated to return all design drawings.

4.2 Tools that are provided together with parts under this agreement shall be returned to PP as soon as possible after the work has been performed. If the tools have not been returned by the time that PP issues the first invoice the value of the tools will be included in the amount payable by the customer and included in the invoice. When/if the tools are returned to PP after the first invoice has been issued PP will issue a credit note to the customer, minus the value of any damage to the tools.

5. DELIVERY TIME AND DISPATCH

All delivery times are approximate and announced with the delivery times current for PP's suppliers and subject to the item not being sold before confirmation from PP, except otherwise is set out in the agreement between the parties cf. clause 13.

6. FORCE MAJEURE

PP shall not be responsible for force majeure events that influence PP's performance under this agreement, both when such events are general and when they impact PP, PP's subcontractors or the plant selected to process the sales item. Force majeure events also comprises traffic difficulties which impact assumed mode of transport or road, and rejection of large work pieces, reduction in the supply of power, labour conflict, military mobilisation, requisition, confiscation or currency, export and import restrictions, travel restrictions or dissuasion of travel by the Ministry of Foreign Affairs or similar institutions or PP's Country Evaluation Process advises against travelling, or other events that influences PP's performance under this agreement that PP could not reasonably be expected to take into account at the time of entering into the agreement or to avoid or overcome the consequences of such events. In cases where PP declares Force Majeure, the customer shall be entitled to make the affected purchase from others than supplier regardless of commitment otherwise entered into under this agreement. The previous sentence shall only apply if the Force Majeure situation causes substantial delays in approximate or guaranteed delivery time and the customer is able get the equivalent delivery from other suppliers before the delivery from PP.

7. RESTRICTIONS, SANCTIONS AND EXPORT CONTROL

7.1 Customer shall comply with all applicable laws, rules and regulations including any applicable export controls, sanctions, embargoes or other restrictions, in relation to any goods supplied by PP under this agreement.

7.2 The customer warrants that any goods delivered by PP shall not be re-exported, sold, transferred or used in breach of the aforementioned laws, rules and regulations in 7.1.

7.3 The customer shall indemnify, defend and hold harmless PP and its affiliates against any and all claims, losses, damage, costs, penalties, and/or fines whatsoever suffered by PP resulting from breach of the aforesaid warranty.

8. DELIVERY AND TRANSFER OF RISK FCA (Free Carrier)

8.1. Unless stated otherwise in writing by PP, delivery of the Goods is FCA (Incoterms®2020) at PP's warehouse.

8.2. Risk and responsibility for the goods, transfers to the customer upon delivery in accordance with the applicable Incoterm referred to in clause 8.1. For avoidance of doubt, customer is responsible for the arrangement, costs and risk of transport of the goods and PP is responsible to load and make available the goods on the means of transport arranged and paid by the customer.

8.3. Customer is responsible for arranging all customs formalities, including payment costs, charges, levies, duties and taxes, except for export customs formalities, and connected costs, charges, levies, duties and taxes insofar these are the responsibility of PP under the applicable Incoterm referred to in clause 8.1.

9. SALES LIEN

PP has sales lien in sold parts and equipment until the purchase price plus any interest and costs are paid in full. The customer must not actually or legally dispose of sales items in a way that may influence the validity of PP's sales lien. Cheques or other payment instructions are not considered as payment until they are fulfilled in their entirety.

10. PRICES

Unless otherwise agreed in writing, the price on the day of delivery applies. All prices are based, unless otherwise explicitly specified, on delivery FCA at PP's warehouse. Prices do not include packaging, VAT and other charges levied by the government on sales and deliveries. PP has always the right to change prices due to price changes from PP's Suppliers and shipping costs and charges imposed by public bodies. In the case of tariff changes, which are introduced before the product is imported; the difference is charged or credited to the customer.

11. RETURN OF PARTS AND CANCELLATIONS (NOT CLAIMS OR WARRANTY)

11.1 All cancellations/returns shall be in writing and approved by PP in writing.

11.2 All returns shall be labelled with a return number and covering letter. Parts returned must be unused, in stock at PP's warehouse and in fully marketable condition. There must be no damage to the original packaging and packing slip for each part returned. Returned parts must physically be received by PP within 90 days after the time of delivery.

11.3. Returns that do not comply with clause 11.2 shall be deemed as a repurchase by PP that requires an individual agreement entered into before the return. The value of the returns is then determined in each case by PP and the amount credited to the customer's account.

11.4. Return shipping takes place at the customer's risk and expense. Cash-on-delivery shipments billable to PP or equivalent will be rejected. Any discounts will be deducted before any return costs are calculated.

11.5 Customer shall always pay compensation for PP's costs for travel, shipping costs of parts, equipment rental, etc. and other costs related to the service contract that PP is not free to avoid when cancelled by the Customer.

11.6 If notification of cancellation is received by PP later than 6 working days before the planned start-up, the customer shall pay PP a cancellation fee equivalent to the cost of the first working day in accordance with the applicable hourly rates.

11.7 In the event of a cancellation/return in accordance with clause 11.2, the customer will be charged the following cancellation/return fee for parts returned to PP's warehouse;

a) Fee equivalent to 20% of the agreed price of the Cat part cancelled, received by PP within 30 days after the delivery date cf. clause 8.

b) Fee equivalent to 30% of the agreed price of the Cat part cancelled, received by PP 30-90 days after the delivery date cf. clause 8.

c) Fee equivalent to 10% of the agreed price of the MaK part cancelled, received by PP within 30 days after the delivery date cf. clause 8.

d) Fee equivalent to 15% of the agreed price of the MaK part cancelled, received by PP 30-90 days after the delivery date cf. clause 8.

e) For return of part included in the CSA overhaul price/ CSA overhaul scope the parts will be credited 100% of the invoice value.

11.8. The Customer will not be credited in the event of return of: small parts with a value of less than NOK 500 per part number/ item number, and/or parts of gasket sets and composed units.

12. PAYMENT TERMS

12.1 The terms of payment are 30 days after invoice date. PP has at any time the right to demand prepayment of up to 100% of the value of the estimated service work, travel cost and usage of parts.

12.2. If payment is delayed, interest is charged pursuant to the Act relating to interest on overdue payments (Act dated 17 December 1976 no. 100).

13. DELAY AND RIGHT OF CANCELLATION

13.1. The specified delivery time is either guaranteed or provided as a guideline. Delivery time is only guaranteed if it is expressly stated in the written text of the agreement. If not, the delivery time is always intended as a guideline. Should PP become aware that delivery will not take place within the framework of the delivery guideline - or the guaranteed time - PP should notify the customer about the delay, the reason for the delay, and if possible, provide a new delivery date.

13.2. In the presence of force majeure, cf. clause 6, the delivery time is extended by the period of time in which the force majeure situation lasts.

13.3. If the agreed delivery time - suggested or guaranteed - is exceeded by 2 months or more, the customer has the right to cancel the purchase agreement. In the event of such cancellation, the customer is entitled to be reimbursed of any remuneration it has prepaid to PP, but is not entitled to any other compensation or damages for direct or indirect loss.

13.4. If the sale item is wholly or partially provided from one of PP's suppliers or a subcontractor – the customer only gets the right to cancel the purchase agreement upon delay cf. this clause 13.3, if PP has the right to cancel the contract with its supplier or subcontractor because of the same delay.

13.5. These provisions apply in place of sections 22-27 and 29 of the Sale of Goods Act.

13.6. If PP cannot deliver or has not delivered within the guaranteed delivery date specified for the customer cf. clause 13.1, PP shall provide the customer with best possible estimate and update of delivery time. If the new delivery time exceeds 2 month after original delivery time, PP & the customer may terminate the order without any other economic consequences except that PP has an obligations to refund any advanced payment done by the customer.

14. COMPENSATION FOR DELAYED DELIVERY

14.1. PP takes no responsibility in case of delayed delivery and PP will not compensate the customer for any direct or indirect losses.

14.2. If the guaranteed delivery time is not met, penalty is paid and - unless otherwise agreed in writing - calculated as 0.5% per completed week of the agreed purchase price that relates to that part of the sales item, which is delayed. If the purchase price, which the penalty is calculated on, exceeds NOK 100.000, the penalty for default is reduced to 0.25% per completed week.

14.3. The penalty for default is calculated for every week the delay lasts, counting from the day the delivery should have occurred. The penalty cannot exceed 5% of the part of the purchase price that covers the part of the sales item, which is delayed.

14.4. The sales item is deemed as delivered upon the transfer of risk, cf. clause 8, or as otherwise set out in a written agreement, even if PP must carry out correction work at a later date, cf. clause 15.3 or make subsequent delivery of parts, which are of less economic importance in relation to the total delivery

15. TERMS AND CONDITIONS FOR COMPLAINTS

15.1. For service performed by PP on engines and other equipment, PP is liable for faults/defects, which demonstrably are caused by material or assembly faults within the following time period counted from the date of delivery or the end of the service work: 12 months or 1500 running hours, whichever

comes first. For spare parts, the right to complain expires 12 months from the date of delivery.

15.2. The customer is obliged to inspect the sales item as soon as it is delivered and/or to check the work once it is has been completed. Any complaint relating to the delivery must be made in writing and no later than 8 days after any defects have been or should have been discovered. All complaints shall be made on the complaint report form, enclosing full documentation and a description of the defect. The customer has the burden of proving the existence of a contractual defect.

15.3. Assuming a timely, written, approved complaint, PP has the right, without undue delay, to remedy the defect. PP determines how the defect shall be remedied, including whether remedy will be made using new parts, replacement parts or repair. After Such remediation, the customer is entitled to a new complaint deadline of 14 days after the remediation is finished by PP.

15.4. In the event of an approved complaint regarding parts, PP at its discretion will replace the defective parts, replacement parts and equipment with new or repaired parts. All costs and risks associated with shipment is the customer's responsibility unless otherwise agreed in writing beforehand by PP.

15.5. In the event of an approved complaint regarding service work, PP covers the expenses for the rectification work and parts as well as PP's reasonable travel expenses within reasonable proximity to the place where the service work was originally done. If the vessel at the time of rectification has moved to a place, which result in significantly higher travel/accommodation costs, the customer shall, unless otherwise mutually agreed, cover the extra travel/accommodation costs. It is assumed that the work is performed by PP's service workers during normal business hours or by others according to a written agreement with PP. Extra costs for obligatory overtime work, or work not covered by the complaint shall always be met by the customer. In all events, PP reserves the right to demand payment by the customer for expenses incurred by PP if service workers are needlessly summoned or related to erroneous complaints. Other costs incurred in order for PP to conduct the rectification work, such as but not limited to docking, rigging, towing, lifting, cutting/welding on hull structure and so forth, will be borne in their entirety by the Customer.

15.6. Any other costs than those described in 15.5, shall be covered by the customer, unless otherwise has been agreed in writing at beforehand.

15.7. Replaced parts shall be returned to PP (meaning shipped from customer location) within 7 days after the repair date, unless otherwise stated in agreement between the parties. If the part(s) are not returned as specified, any responsibility for PP ceases to exist and the customer will be charged for all costs associated with repairs and/or sent replacement parts.

15.8. The customer cannot make other claims in connection with alleged defects than the above-mentioned claim for rectification of defects.

15.09. PP's duty is limited to the warranties and/or replacement. PP does not cover any damages (consequential) that an inadequate supply may have caused.

15.10. In any case of errors and/or defects, PP has no liability for the indirect loss which the errors and/or defects may have caused the customer. Loss of profits and other such consequential economic losses are considered as an indirect loss.

15.11. PP is not responsible for errors, omissions, or damage resulting from age, wear, use of non-approved lubricants, use of non-original replacement parts, improper or unusual treatment or operation, inadequate maintenance or overloading, etc. PP is not responsible for errors, omissions, damage or loss caused by the negligence of the customers duty to mitigate loss or failed to complete the work or actions that may have limited the damage or loss.

15.12. If a sales item, including engines, are amended, modified or repaired without PP's written consent, all costs in this context become irrelevant to PP. If such an alteration or repair takes place, PP takes no responsibility for any shortcomings in the delivery.

15.13. For spare parts and labour provided by PP in connection of a repair of a defect that PP is responsible for, the warranty expires concurrently with the warranty of the original shipment, cf. clause 15.1.

15.14. PP's responsibility for defects and/or errors in shipments can only be claimed by the original purchaser.

16. REQUIREMENTS REGARDING WORKPLACE AND WORKING ENVIRONMENT

16.1. If, pursuant to the agreement, PP is to perform work at the customer's premises or other location outside PP's workshop, the customer bears the responsibility and risk to ensure, no later than the agreed start date, that the workplace is fully secure and prepared and that the work can be performed in accordance with Norsk Arbeidsmiljølov.

16.2 PP has no obligation to commence or carry out work that may involve unnecessary or unacceptable hazards or risks, or where the workplace is not fully secure or prepared. The customer shall refund PP's expenses and losses resulting from the workplace not being secure, as specified in clause 16.1, or prepared in accordance with the agreement.

17. LIMITATION OF LIABILITY

17.1. With the exception of the duty to rectify and standardized compensation specified in clauses 14 and 15, PP is not responsible for compensation, discount or other direct, special, incidental or consequential damages, including but not limited to loss of income, loss of actual or anticipated profits, cash shortages, loss of anticipated savings, lost revenue, loss of sales, loss of goodwill or any consequential loss, including loss resulting from personal injury or death, damage to equipment or property, as well as any costs for repairs of such damages or loss, irrespective of whether the claim is based on breach of warranty, purchase liability or other legal basis.

17.2. Any compensation claims arising in connection with the present contract are in any event limited to the direct, documented loss, although never exceeding the invoice value of the work or parts to which the complaint relates, provided there is no other express written agreement. The customer must in all cases document the losses suffered and that PP or PP's appointed suppliers / contractors are responsible.

17.3. The former does not apply to the extent otherwise follows from mandatory Norwegian law.

18. LEGAL VENUE AND CHOICE OF LAW

The agreement is subject to Norwegian law. Oslo District Court is the legal venue for all disputes under this agreement.