

## GENERAL TERMS & CONDITIONS FOR SERVICES

### 1. INTRODUCTION

- 1.1 These Conditions shall, unless otherwise agreed in writing, apply to all service work purchased by any company in the Knutsen Group<sup>1</sup> (each a “**Buyer**”), whether or not any reference to the Conditions is made in the respective contract, order or confirmation of order.
- 1.2 Inclusion by the Buyer’s service contractor (the “**Supplier**” and together with the Buyer the “**Parties**”) of any terms inconsistent with or in addition to these Conditions are hereby disclaimed and shall have no effect unless accepted in writing by a duly authorized representative of the Buyer.
- 1.3 If not otherwise agreed in writing between the Parties, all purchases made by the Buyer from any Supplier, shall be regulated by the Documents. The Documents shall have the priority as listed below. In case of any discrepancy or inconsistency between the terms of the Documents, the Document with the highest priority shall prevail.
  1. the Contract;
  2. these Conditions;
  3. the SO; and
  4. the Knutsen Code of Conduct, dated 20.02.2023.

### 2. DEFINITIONS

In these Conditions, the following terms shall have the following meaning:

“**Buyer’s Delay**” means a situation where the Buyer is responsible for a situation where the Supplier is not able to carry out or complete (as agreed) the Service within the time agreed in the Contract and/or the SO.

“**Conditions**” means these General Terms and Conditions.

“**Contract**” means a contract for the sale and purchase of the services made between the Buyer and the Supplier.

“**Document/Documents**” means the Contract, the Conditions, the SO and the Knutsen Code of Conduct.

“**Equipment**” means the specific object/objects which is/are subject to maintenance under the Contract and/or the SO.

“**SO**” means a service order describing certain details of the service work, issued by the Buyer in connection with the Contract.

“**Service**” means any service work agreed between the Parties under the Documents, whether performed by physical attendance on a vessel or remotely.

“**Software**” means any software program, including but not limited to software installed by the Supplier for remote surveillance purposes, which is subject to Service under the Contract and/or the SO.

“**Supplier’s Delay**” means a situation where the Supplier fails to perform and/or complete (as agreed) the Service within the time agreed in the Contract and/or the SO.

### 3. CONFIRMATION OF SERVICE ORDER

- 3.1 The Supplier shall immediately upon receipt, and no later than 2 working days after receipt, confirm or invalidate the SO.
- 3.2 If the Supplier fails to confirm the SO as described in section 3.1, the Buyer shall have the right to cancel the SO without any liability towards the Seller whatsoever.

### 4. SCOPE OF SERVICE

- 4.1 The Supplier shall perform Service to the Equipment and/or Software in accordance with the description and requirements specified in the Contract and/or the SO.
- 4.2 Unless otherwise is agreed in writing between the Parties, the Service is not complete until the Supplier has provided the Buyer with all necessary certificates, authorisations and other necessary documents related to the Service and/or the Equipment or Software.
- 4.3 The Supplier shall perform the Service with proper skill and care at the times or at the intervals specified in the Contract and/or the SO.
- 4.4 Each time Service has been performed, the Supplier shall make a report in writing containing the relevant observations and measures taken. A copy of the report shall be provided to the Buyer as soon as reasonably possible, and if Service is performed onboard a vessel, the report shall be delivered to the Buyer before the Supplier’s personnel leaves the vessel.

---

<sup>1</sup> Knutsen Group – Knutsen OAS Shipping AS, KNOT Management AS and/or their respective subsidiaries.

**17.10.2022**

- 4.5 In case the Service is only partly completed before the Supplier's personnel leaves the vessel, the Supplier shall make a short summary to be left onboard the vessel, containing the relevant observations and measures taken, the number of hours spent performing the Service and identification of remaining work to complete the Service.
- 4.6 All reports provided by the Supplier to the Buyer shall be in a condition and a language acceptable to the Buyer.
- 4.7 Unless otherwise agreed between the Parties, the Supplier shall notify the Buyer in writing upon completion of the Service. The Supplier shall thereafter, and if practically possible before the Supplier's personnel leave the vessel, assist the Buyer in carrying out such tests as have been agreed upon or as are reasonably required in order to ascertain that the Service has been successfully completed.
- 4.8 Unless otherwise agreed in writing between the Parties, any Service shall include, but is not limited to, the following:
- checking the condition of the Equipment and/or the Software, confirming that it is fully functional and in good working condition;
  - functional checks both prior to the Service and after completion of the Service;
  - adjustments, where appropriate;
  - fault tracing;
  - remedial work;
  - provision and replacement of spare parts; and
  - assistance at testing.
- 4.9 The Buyer shall be responsible for the necessary daily care of the Equipment and Software.
- 4.10 Unless otherwise agreed in writing between the Parties, the Supplier shall only use spare parts of the original brand or parts of equivalent quality when carrying out the Service.

## **5. PREPARATORY WORK AND WORKING CONDITIONS**

- 5.1 If the Service is to be carried out at the premises of the Buyer (including on a vessel), the Buyer shall ensure that:
- the Supplier's personnel are able to start work in accordance with the agreed time schedule;
  - the Buyer, in reasonably good time before the agreed or notified date for starting the Service, informs the Supplier of all relevant safety regulations in force at the relevant premises. Service shall not be carried out in unhealthy or dangerous surroundings. All the necessary safety and precautionary measures shall have been taken before the Service is carried out and shall be maintained; and
  - the Supplier's time sheets, and other documents as reasonably required by the Supplier, are signed by the Buyer.
- 5.2 If the Service is to be carried out at the premises of the Buyer (including on a vessel), the Supplier shall ensure that:
- the Supplier has informed the Buyer of any special hazards that the maintenance work may entail;
  - all relevant information needed for the Buyer to arrange for and ensure that the various items listed under clause 5.1 is given in sufficient detail and within reasonably good time;
  - the Supplier has arranged for any necessary requirements relating to the import and re-export of the Supplier's equipment and tools, including all (if any) custom formalities;
  - any deviations to the plan for the Service, as agreed in the Contract and/or the SO, shall be notified to the Buyer as soon as possible, and approved by the Buyer's representative;
  - time sheets, and any other relevant document, are presented to the Buyer's representative for approval upon completion of the Service;
  - the Supplier has obtained visas and any other entry, exit or other work permits, and if necessary tax certificates in the Buyer's country; and
  - all personnel follows the guidelines applicable on the Buyer's premises.

## **6. DELAY**

- 6.1 In case of a Buyer's Delay, the Buyer shall as soon as possible notify the Supplier.
- 6.2 In case of a Supplier's Delay, the Buyer may, at its sole discretion, choose to either (i) by written notice to the Supplier fix a final reasonable period for starting and/or completing (as agreed) the Service, or (ii) terminate the Contract and/or the SO.
- 6.3 In case of a termination of the Contract and/or the SO by the Buyer under clause 6.2, the Supplier shall compensate the Buyer for all costs directly related to any measures taken to prepare for the

**17.10.2022**

unsuccessful Service, and also reimburse the Buyer for any remuneration which was already paid by the Buyer to the Supplier.

6.4 Termination and compensation of costs and reimbursement for remuneration already paid by the Buyer to the Supplier shall be the sole remedies for the Buyer in case of a Supplier's Delay.

## **7. REMUNERATION AND PAYMENT**

7.1 The Service shall be remunerated as agreed between the Parties in the Contract and/or the SO.

7.2 Unless otherwise agreed in writing, the Supplier shall be entitled to invoice the Buyer on or after the Service is completed, as specified in the Contract and/or the SO. Timesheets for the Service performed duly signed by a representative of the Buyer, and any service report(s) or other relevant document(s) (such as relevant certificates etc.) shall always be attached to all invoices issued by the Supplier to the Buyer.

7.3 The Buyer shall pay all correct and complete invoices (net of any agreed discounts, rebates or other sums due) latest 60 days after reception of such invoice. If the Buyer fails to pay within the 60 days, the Supplier shall be entitled to interest from the day on which payment was due and to compensation for recovery costs. The rate of interest shall be at the bank of Norway Base rate plus 2% (two per cent) p.a. proportionally for the period.

7.4 The Supplier shall direct all invoices according to the invoice information given in the SO.

7.5 In case of any errors in the invoice, the Buyer shall have the right to withhold payment until the Supplier has corrected and provided a new and correct invoice.

7.6 Invoices must contain the SO number and each invoice shall cover one SO only. Split- or partly invoicing is not accepted, unless agreed in writing between the Parties and specified in the SO.

7.7 If the invoice has not been received within 90 days after completion of the Service, the invoice will be rejected at no liability to the Buyer.

7.8 All invoices shall be submitted electronically through an agreed and accepted electronic format or soft copy sent to the Buyer's nominated email account.

## **8. LIABILITY**

8.1 If any defects whatsoever appears after Service, either in the work performed or in the parts provided by the Supplier, the Buyer shall notify the Supplier without undue delay.

8.2 The Supplier shall at his own cost remedy any defects in the Service or in parts provided by the Supplier as soon as possible after receipt of notice, cf. clause 8.1.

8.3 Unless otherwise agreed in writing between the Parties, the Supplier shall be liable for any defects in the Service or in parts provided by the Supplier for a period of 12 months after the Service was completed.

8.4 If the Supplier fails to remedy defects, as described in this clause 8, the Buyer shall have the right to, by written notice to the Supplier, fix a final reasonable period for completion of the Supplier's obligations. If the Supplier fails to fulfil said obligations within such final period, the Buyer may take appropriate steps to ensure that the necessary remedial work is carried out, whether by engaging a third party or otherwise.

8.5 Where successful remedial work has been undertaken, pursuant to clause 8.4, the Supplier shall compensate the Buyer for the reasonable costs of such successful remedial work.

8.6 Where remedial work in accordance with clauses 8.4 and 8.5 is not successful, the Buyer shall be entitled to compensation for the reasonable costs of the remedial work which was unsuccessfully undertaken in accordance with clause 8.4, and in addition to reimbursement of any remuneration which was already paid by the Buyer to the Supplier in accordance with clause 7.

8.7 The Supplier shall be liable for damage to the Buyer's property, including the Equipment, caused by the Supplier in connection with the Service.

8.8 Each Party is liable for any breach of the terms of the Documents made by any members of the Buyer or the Supplier respectively, including but not limited to their employees, subsidiaries, contractors, sub-contractors (at any level) and agents.

## **9. WARRANTIES AND INDEMNITIES**

9.1 The Supplier warrants that;

- the Supplier has all licenses, certifications, etc, required for the performance of the Service in all respects;
- the documentation pertaining to the Service contains all information required by applicable laws and regulations; and

**17.10.2022**

- all information that can reasonably be required by a normally prudent buyer is given in order for the Buyer to make a qualified decision before ordering the Service.

9.2 Both Parties shall indemnify and hold the other Party harmless against any indirect loss, including but not limited to loss of production, loss of profit or any other consequential economic loss, except if such loss is a result of gross negligence or wilful misconduct by the respective Party.

#### **10. TAXES AND VAT**

10.1 All prices and rates contained in the Contract and/or the SO are exclusive of VAT, but inclusive of all other taxes, duties and charges including, but not limited to, corporate income taxes, individual taxes and other social contributions (labour law taxes).

10.2 Notwithstanding anything else herein to the contrary, the Buyer shall have the right to withhold from any amounts otherwise payable pursuant to the Contract and/or the SO such federal, state or local corporate, income, employment or any other taxes or duties as may be required to be withheld pursuant to any applicable law or regulation, determined by Buyer in its sole discretion, always exercised in good faith.

10.3 The Supplier acknowledges that it may have tax obligations outside of its state of residence or incorporation or the state from where it operates, including specific tax reporting or filing obligations.

#### **11. FORCE MAJEURE**

11.1 The Parties shall not be liable for any loss, damage or delay that occurs as a result of any of the force majeure events listed in clause 11.2. This shall only apply as far as the Party that claims force majeure actually is delayed or prevented from performing its contractual obligations towards the other Party, and that the Party has made all reasonable measures to avoid or minimize the effect of a force majeure event.

11.2 Acts of god; requirements from government authorities; war or warlike condition; civil commotion or riots; sabotage, strike or lockout (except local labour disturbances); flood, typhoons, hurricanes, storms or other extraordinary weather conditions not included in normal planning; earthquakes, tidal waves or other natural disasters; fires or explosions; import or export bans or restrictions; COVID-19 or COVID-19 related restrictions imposed by a competent government; and any other extraordinary event beyond the control of the Party (each a “**Force Majeure Event**”).

11.3 The Party claiming a Force Majeure Event shall inform the other Party in writing as soon as reasonably possible and latest within five (5) days after the Force Majeure Event occurred.

#### **12. OTHER RIGHTS AND OBLIGATIONS**

12.1 Both Parties shall comply with all applicable laws and regulations.

12.2 The Supplier shall have a HSEQ system in place, suitable for the Service to be performed under the Contract.

12.3 The Buyer shall have the right to conduct audits of the Supplier’s and any of the Supplier’s subcontractors’ quality systems, including quality inspections, verifications and surveillance activities at the Supplier’s and any of its subcontractors’ locations.

12.4 The Supplier acknowledges that the Buyer is bound by the Norwegian Transparency Act of 1 July 2022, and will comply with all Buyer’s request which is relevant under the law, including but not limited to answering any reasonable question about the Supplier’s efforts to respect fundamental human rights and decent working conditions in connections with their operations.

#### **13. CYBER SECURITY**

13.1 Whenever the Service requires remote access to the Equipment via the Buyer’s internet or access to the ship network, the Supplier shall give the Buyer a prior notice as soon as reasonably possible.

13.2 Prior to be granted access as described in clause 13.1, the Supplier shall review and accept in writing the Buyer’s remote access policy (the “**Policy**”), complete the Buyer’s remote access form, and sign the relevant confidentiality undertaking. The access form shall be evaluated by a representative nominated by the Buyer (i.e. an owner of the relevant system or a cyber security representative of the Buyer), before the Supplier can be granted such access.

13.3 When the Supplier has been given access in accordance with this clause, the Supplier shall always comply with the guidelines set out in the Policy and the confidentiality undertaking.

13.4 In the event that the Supplier becomes aware of any cyber security breach, the Buyer shall be notified without undue delay.

13.5 Supplier shall indemnify the Buyer, including its officers, directors, employees, agents and affiliates, from and against any and all claims, suits, liabilities, judgments, losses, damages, costs, or expenses (including reasonable attorney’s fees and costs) arising from any cyber security breach which is caused

**17.10.2022**

by the acts or omissions by the Supplier or a Supplier representative, or which occurs due to Suppliers non-compliance with the Policy, the confidentiality undertaking or the Contract and/or SO.

#### **14. DATA PROTECTION**

- 14.1 Both Parties acknowledges and accepts that they shall comply with all rules and regulations as set out in the General Data Protection Regulation<sup>2</sup> (the “GDPR”).
- 14.2 If the Supplier needs to process any personal data on behalf of the Buyer in order to perform its obligations under the Contract and/or the SO, the Parties shall enter into a data processing agreement prior to the commencement of the processing.
- 14.3 In any case, Supplier shall not transmit any personal data from Buyer to any third parties without the prior written consent by a duly authorised person from Buyer..
- 14.4 Supplier shall notify Buyer immediately in the event of a personal data breach affecting data pertaining to Buyer.

#### **15. DRUGS AND ALCOHOL**

- 15.1 The use of drugs and alcohol in relation to the Service or in any other way related to the obligations to be performed by the Parties under the Documents, are strictly forbidden.
- 15.2 If the Buyer discovers that any one of the Supplier’s personnel is using drugs and/or alcohol when performing the Service, the Buyer shall have the right to (i) remove such personnel from the site (on or off shore), and (ii) terminate the Contract and/or the SO without any liability towards the Supplier whatsoever.
- 15.3 All costs related to any incidents whatsoever under this clause 15 shall be for the Supplier’s account alone.
- 15.4 The Buyer shall have the right to perform reasonable alcohol and drugs testing of the Supplier’s personnel.

#### **16. CONFIDENTIALITY**

- 16.1 Confidential Information means all information provided by one Party to the other Party under the Contract and/or SO, including but not limited to information relating to the content of the Contract and/or SO, the Parties' business, products and trade secrets.
- 16.2 The Parties shall not disclose to any third party Confidential Information obtained from the other Party.
1. The confidentiality obligation shall not apply to information:
  2. Which is or comes into the public domain other than through breach of this Contract and/or SO by the receiving Party; or
  3. that a Party is required to disclose pursuant to laws or regulations, in which case the other Party shall, if possible, be notified prior to the disclosure of such information.

#### **17. INTELLECTUAL PROPERTY**

- 17.1 Intellectual Property Rights means any intellectual property rights, whether registered, applied for or non-registered, including but not limited to patents, designs, trademarks, service marks, copyright, copyright-related rights (neighbouring rights) and all similar rights, including those subsisting in inventions, performances, computer programs, trade secrets, know-how, business names, goodwill, and the layout, style and presentation of goods or services.
- 17.2 The Parties' existing Intellectual Property Rights shall remain the sole property of each Party, however the right of ownership to any Intellectual Property Rights associated with the performance and result of the Contract and/or SO shall automatically, continuously and completely, vest with Buyer. The Supplier shall continuously provide Buyer with necessary documentation, manuals, instructions and similar, in order for Buyer to make use of the Intellectual Property Rights.
- 17.3 Notwithstanding the above, and as long as it is not otherwise agreed, the Supplier shall retain the ownership to its own tools and methods used to perform its obligations under the Contract and/or SO. Both Parties may also utilise general know-how that they have accumulated in connection with the performance of the Contract and/or SO.
- 17.4 Each Party shall indemnify the other Party, including its officers, directors, employees, agents and affiliates, from and against any and all claims, suits, liabilities, judgments, losses, damages, costs, or expenses (including reasonable attorney's fees and costs) arising from a claim that the use of any material or Products, provided by such Party infringes the rights of a third party's Intellectual Property Rights.

---

<sup>2</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)

**17.10.2022**

**18. INSURANCES**

18.1 Each of the Buyer and the Supplier shall at its own cost provide for and maintain sufficient insurance coverage to protect its own property and personnel. For the avoidance of doubt, the Supplier shall be responsible for having sufficient insurance to cover any potential damages to the Supplier's personnel during the performance of the Service.

18.2 Each party shall obtain a waiver of all rights of 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.

18.3 Both Parties shall have the right to, upon written request, require the other Party to provide proof of insurances relevant for the relationship between the Parties.

**19. ESG**

19.1 Both the Buyer and the Supplier acknowledges that they have a responsibility to seek environmental friendly and sustainable solutions for their obligations under the Documents.

**20. GOVERNING LAW**

20.1 These Documents shall be governed by and construed in all respects by the laws of Norway.

20.2 Any dispute arising out of or in connection with the Documents shall be referred to arbitration under the NOMA<sup>3</sup> rules, subject to the procedures applicable therein.

---

<sup>3</sup> Nordic Offshore & Maritime Arbitration Association - <https://www.nordicarbitration.org/>