

## TERMS AND CONDITIONS FOR THE SALE OF PRODUCTS AND SERVICES

### 1 PARTIES - OVERALL SCOPE AND AGREEMENT STRUCTURE

- 1.1 El-Watch Industries AS (“**El-Watch**”) is an innovative tech company developing and producing energy efficient electronics and wireless communication. with its headquarters in Rindalsvegen 6, 6657 RINDAL (org. no. 984565259).
- 1.2 The Customer wish to purchase certain products and/or services from El-Watch (the “**Deliverables**”) in accordance with the terms set forth in these General Terms and Conditions (the “**Agreement**”). The “**Customer**” shall mean the company entering into this Agreement. For software services, support and related services, certain additional terms apply as attached to these general terms as **Appendix 1** (“Software Service Terms”).
- 1.3 In the event that the Deliverables includes prototypes or “beta-versions” additional terms apply, ref section 2 below.
- 1.4 El-Watch and the Customer may hereinafter be referred to as a “**Party**”, or collectively as the “**Parties**”.
- 1.5 By purchasing the Deliverables from El-Watch, the Customer accepts the terms and conditions set out herein and agrees to be bound by the Agreement and, to the extent applicable, the relevant terms set out in the appendices as referenced in the order confirmation, ref section 1.5 below. The Agreement shall, together with the Order Confirmation for the Customer’s order, constitute the entire agreement entered into between the Parties, in addition to any written separate sales agreements or similar entered into by the Parties. This includes, if and when applicable, special terms for provisioning of software licenses, subscription services and/or terms applicable for development work, prototype Deliverables etc.
- 1.6 Unless otherwise is agreed in writing, El-Watch will issue an order confirmation within reasonable time after reception of a purchase order from the Customer. The total purchase price amounts and estimated delivery time(s) are set out in the relevant Order Confirmation.
- 1.7 This Agreement shall apply to all quotations and offers made by and orders accepted by El-Watch unless otherwise expressly stated in the Order Confirmation.
- 1.8 In the event of any conflict between the provisions of this Agreement and the order confirmation or a

separate sales agreement or similar signed by El-Watch and the Customer, the terms set out in this Agreement shall prevail unless it is clearly evidenced that the changes or amendments are intended under mutual agreement between the Parties. Any changes in this Agreement must specifically be agreed to in writing signed by an officer of El-Watch before becoming binding on either Party.

### 2 SPECIFIC TERMS FOR PROTOTYPES AND “BETA-VERSIONS”

- 2.1 The Customer acknowledges that the purchase of a product specified as a prototype or “beta-version” (“**Prototype Products**”) shall not obligate El-Watch to deliver a market-ready product to the Customer and that further development of the prototype may require further interactions and agreements between the Customer and El-Watch. Such further interactions and agreements may be subject to further remuneration to El-Watch and obligations by the Customer, to be agreed from time to time.
- 2.2 The Customer further accepts and acknowledges that Prototype Products will not be subject to the liability for defects or limited warranty set out in section 6 and 7. All Prototype Products are provided “AS IS” unless otherwise agreed and El-Watch is only responsible for repair or remedy if the defect on non-performance is a direct result of lack of appropriate care or workmanship in the development or manufacture of the Prototype Products.
- 2.3 The Prototype Product will be produced based on one or a set of specifications provided by the Customer and/or independent development work and existing technology of El-Watch (“**Prototype Specifications**”). El-Watch shall have the right to reject the Customer specification or requirements in the event that El-Watch deems such specifications and/or requirements to be unfit as basis for production of Prototype Products and to require the Customer to make the necessary corrections and changes to said specifications and requirements.
- 2.4 In the event of changes in requirements or specifications of the Customer, for any reason, El-Watch shall not be held responsible for any delays due to or related to such changes. El-Watch shall, under its sole discretion, decide whether any changes to the Prototype Specifications requires renegotiations of the price to be paid by the Customer for the Prototype Product or further development of the Prototype Product. Such renegotiations shall be conducted in a faithful

manner.

- 2.5 In the event that the Parties' renegotiations do not succeed or in the event that the Customer does not make changes to the Prototype Specifications as requested by El-Watch, El-Watch shall be entitled to cancel the Customer's order and the Customer shall not be entitled to any reimbursement from El-Watch for such cancellations.

### **3 TIME OF DELIVERY**

- 3.1 The estimated delivery schedule for the ordered Deliverables(s) are set out in the order confirmation. All delivery estimates are subject to change. For software services, the term of service and milestones etc will be set out in the Software Service Terms.
- 3.2 Delivery shall be considered as completed on such time as the Deliverables is made available for collection by the Customer.

### **4 DOCUMENTATION AND CERTIFICATION ETC**

- 4.1 El-Watch will provide the Customer with its standard technical specifications, drawings, installation and service instructions and spare parts lists that concern the Deliverables(s). For Prototype Products, the documentation will be limited to the documentation required in order to demonstrate compliance with the Prototype Specifications, which may not include service, instructions, user manuals or similar.
- 4.2 Unless stated in the Order Confirmation, El-Watch will not be responsible for obtaining approvals, certifications or the compliance with any regulatory requirements anywhere in the world other than what is required under mandatory law.

### **5 PAYMENT**

- 5.1 Unless otherwise is agreed in writing, payment terms shall be as specified in the order confirmation and all payments are to be in NOK. All payments shall be made within such time as stated in the invoice or order confirmation. This also applies for professional services, subscription- and license fees etc for which payment schedules and terms are set out in the Software Service Terms.
- 5.2 El-Watch may require payment to be secured by an irrevocable letter of credit or a bank guarantee acceptable to El-Watch. Where payment is made by letter of credit, all costs of collection shall be for Customer's account.
- 5.3 If the Customer fails to make payment by the agreed time, El-Watch shall be entitled to claim interest on any overdue amount pursuant to the Late Payment Interest Act of 1976.

- 5.4 El-Watch retains a security interest in the Deliverables until the Customer's final payment to El-Watch for the Deliverables. Risk of loss and title shall pass to the Customer as soon as the Deliverables has been delivered as determined by the delivery terms, see section 2.

### **6 DEFECTS**

- 6.1 The Customer shall notify El-Watch of any visible defects, quantity shortages or incorrect Deliverables shipments within seven (7) days of delivery. Failure to notify El-Watch in writing of any visible defects in the products or of quantity shortages or incorrect shipments within such period shall be deemed an unqualified waiver of any rights to return products on the basis of visible defects, shortages or incorrect shipments, subject to the Customer's rights as set out in section 7.
- 6.2 El-Watch responsibilities and corresponding liabilities for service-quality and accessibility for software services etc is exhaustively governed under the Software Service Terms as attached hereto and referenced in the Order Confirmation.
- 6.3 The obligations set out herein do not apply for Prototype Products, ref section 2.2 above.

### **7 LIMITED WARRANTY**

- 7.1 Except as specified below, Deliverables sold hereunder shall be free from defects in materials and workmanship and shall conform to El-Watch's published specifications or other specifications accepted in writing by El-Watch for the specific warranty period set out in the order confirmation, calculated from the date of shipment of the Deliverables(s). In the event that no warranty period is set out in the order confirmation, the warranty period shall be one (1) year.
- 7.2 The foregoing warranty does not apply to any Deliverables which have been subject to misuse, neglect, accident, modification, improper installation, or repair, or which have been altered such that they are not capable of being tested under normal test conditions. El-Watch will in its sole discretion make the final determination as to whether the Deliverables(s) are defective.
- 7.3 As the sole remedy in the event of a defect in a delivered Deliverables, El-Watch will, at its option and upon having received a notification of non-conformity from the Customer within reasonable time after delivery of the Deliverables, or, in the event of visible defects, within seven (7) days after delivery, either use reasonable efforts to remedy the defect(s) to ensure that the Deliverables can be delivered without defects or replace or issue credit for the defective Deliverables at its own discretion.

The Customer cannot return Deliverables or initiate repairs or take other remedial action without the prior written consent of El-Watch and any and all warranty obligations hereunder are voided in the event of any unauthorized remedial action by the Customer, ref also section 7.2 above.

- 7.4 Notwithstanding the foregoing, El-Watch does not warrant that the Deliverables will be compatible or suitable for any and all uses. The foregoing warranty and remedies are exclusive and made expressly in lieu of all other warranties, expressed, implied or otherwise, including warranties of merchantability and fitness for a particular purpose.
- 7.5 For professional services, software licenses and/or subscription-based services, El-Watch responsibilities and corresponding liabilities for service-quality and accessibility for software services etc is exhaustively governed under the Software Service Terms as attached hereto and referenced in the Order Confirmation.
- 7.6 The obligations set out herein do not apply for Prototype Products, ref section 2.2 above.

## **8 LIABILITY**

- 8.1 El-Watch shall not be liable for any incidental or consequential damages, including, but not limited to, the cost of labour, delay, lost profits or loss of goodwill arising out of the sale, installation or use of the Deliverables.
- 8.2 If El-Watch has any other liability for breach of this Agreement, breach of any implied condition, warranty or representation, the aggregate liability for El-Watch shall be limited in respect of any occurrence or series of occurrences to the payment made by the Customer for the respective and relevant Deliverables.
- 8.3 El-Watch shall not be liable for any damage or penalty for delay in delivery when such delay is due to force majeure events.

## **9 CANCELLATION**

All orders of Deliverables are final and binding upon issue of the Order Confirmation unless otherwise agreed and is not subject or cancellation for convenience by the Customer.

El-Watch shall have the right to cancel any unfilled order without notice to the Customer in the event that Customer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, or becomes unable to meet its financial obligations in the normal course of business. This also applies in

the event that the Customer has not fulfilled his payment obligations for current or past purchase of services and/or Deliverables from El-Watch and has not met his payment obligations after having received final notice of termination from El-Watch.

## **10 INTELLECTUAL PROPERTY RIGHTS ETC.**

- 10.1 El-Watch retains all intellectual and industrial property rights in and to the Deliverables to the Customer, including but not limited to trademarks, design, copyrights, visual representation, software, methods of manufacture, know-how, trade secrets and similar, and irrevocably grants the Customer all rights to use the Deliverables for their intended purposes. Unless otherwise is explicitly agreed with the Customer, El-Watch also retains all rights to intellectual and industrial property rights in changes, improvements, developments and modifications to the Deliverables made by El-Watch even when based on a requirement or request from the Customer.
- 10.2 The Customer agrees not to copy, alter, modify, reverse engineer, or attempt to derive the composition or underlying information, structure or ideas associated with the Deliverables(s). The Customer undertakes not to remove, overprint, deface or change any notice of confidentiality, copyright, trademark, logo, legend or other notices of ownership from the Deliverables(s).

## **11 CONFIDENTIALITY**

- 11.1 The Parties are obliged to treat as confidential all information, know-how or other confidential material and any other material which is of such a nature that it should be considered confidential, and which is disclosed to the other party through business activities regulated by this Agreement.
- 11.2 Without prejudice to El-Watch's responsibilities with respect to confidential treatment, the Customer accepts that the existence of the Agreement and the identity of the Customer can be used by El-Watch as a reference in marketing materials and other promotion, unless otherwise is agreed in writing.

## **12 ASSIGNMENT - SUBCONTRACTING**

- 12.1 Neither Party can assign its rights under the Agreement (in whole or in part) to any third party without the prior written consent of the other Party. This does however not limit the rights of El-Watch to subcontract any part of work or services related to the Deliverables as it deems necessary or desirable.
- 12.2 The Customer shall not be entitled to assign its rights under the Agreement (in whole or in part) to

any third party without the prior written consent of EI-Watch.

### **13 CHANGES**

No agreements amending, altering, or supplementing the terms of this Agreement and the order confirmation may be made except by means of a written document signed by a duly authorized representative of each Party.

### **14 GOVERNING LAW AND JURISDICTION**

This Agreement is governed by the laws of Norway. Any and all disputes related to the Agreement, and which cannot be settled amicably, are subject to the exclusive jurisdiction of Sør-Trøndelag tingrett (Trondheim District Court).