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Chapter A: Terms and Conditions Applicable to all Contracts

1. Applicability

1.1 The general terms and conditions in this document apply to all forthcoming contracts with Electric Friends AS (EF) if not otherwise specifically agreed in the contract.

1.2 Chapter B cover Service Level Agreement and is applicable when SLA forms part of the contract

1.3 Chapter C covers project management and execution and is applicable when Project Management and System Acceptance Test (SAT) forms part of the contract

1.4 Although a chapter may not be applicable to a Contract, the Contract may invoke specific clauses or conditions from these chapters.

1.5 All communication affecting the terms and conditions of the contract and concerning its execution shall be made or confirmed in writing.

2. Definitions

Definitions marked with * below shall be uniquely specified and/or quantified in the contract.

<table>
<thead>
<tr>
<th>Annual License Fee</th>
<th>The annual amount Broadcaster shall pay for its right to use EF software.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcaster*</td>
<td>The end user of the EF Product or the managing service provider.</td>
</tr>
<tr>
<td>Connected System</td>
<td>Connected Systems are defined as systems, such as control systems, tracking systems or virtual reality systems, which interface with the EF Product through a computer protocol.</td>
</tr>
<tr>
<td>Contract</td>
<td>The Contract consists of the following documents listed in order of precedence:</td>
</tr>
<tr>
<td></td>
<td>i. EF’s Order Confirmation</td>
</tr>
<tr>
<td></td>
<td>ii. Broadcaster’s Purchase Order or other acceptance of EF’s Quotation</td>
</tr>
<tr>
<td></td>
<td>iii. EF’s Quotation</td>
</tr>
<tr>
<td></td>
<td>iv. Contract document explicitly listed in the above</td>
</tr>
<tr>
<td></td>
<td>v. These General Conditions</td>
</tr>
<tr>
<td>Delivery*</td>
<td>When Chapter C applies, Delivery takes place at the Broadcaster’s acceptance of the System Acceptance Test (SAT); when Chapter C does not apply, Delivery takes place when the EF Product is shipped from EF and its use is so authorized. Date of Delivery shall be specified in the Contract.</td>
</tr>
<tr>
<td>Designated Commercial Handler*</td>
<td>The entity that EF at any time designates to handle payments under the Contract</td>
</tr>
<tr>
<td>Designated Service Partner*</td>
<td>The entity EF at any time designates to perform First, Second, Third line Support, On-site Support and Repair and/or Spare Part handling respectively</td>
</tr>
<tr>
<td>EF Product</td>
<td>The hardware equipment or software product(s) described in the Contract.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>First Line Support</td>
<td>First Line Support involves direct Broadcaster contact via connection to EF support service system, telephone or e-mail and includes guidance on the operation of the product, clarification of functions and features of the EF Product and product documentation, information collection, resolution of known Problems, creation of Incident/Problem ticket in tracking system, reporting into tracking system, and escalation to the next appropriate support line if necessary.</td>
</tr>
<tr>
<td>Incident</td>
<td>Any event which is not part of the standard operation of the EF Product which causes, or may cause, an interruption to, or a reduction in quality of broadcast.</td>
</tr>
<tr>
<td>On-site Support and Repair</td>
<td>On-site Support and Repair includes on-site repair or part replacement if EF has concluded that repair is necessary, and if it is unreasonably complex for the Broadcaster to perform the repair himself, even with remote assistance from EF. On-site Support and Repair also includes diagnosis of problems and faults which EF has not been able through remote access and communication with the Broadcaster.</td>
</tr>
<tr>
<td>Order Confirmation</td>
<td>Order Confirmation mean the confirmation of an order based on EF’s Quotation and acceptance of the terms for the delivery, this forming the Contract between the parties.</td>
</tr>
<tr>
<td>Party, Parties</td>
<td>A party of the Contract, EF or the Broadcaster. Parties refer to both EF or its Service Partner and the Broadcaster.</td>
</tr>
<tr>
<td>Payment Schedule*</td>
<td>The Payment Schedule as specified in the Contract.</td>
</tr>
<tr>
<td>Problem</td>
<td>A condition identified as a result of one or more Incidents that exhibit common symptoms for which the cause is not usually known.</td>
</tr>
<tr>
<td>Project Schedule*</td>
<td>A Project Schedule shall be defined in the Contract when Chapter C is applicable.</td>
</tr>
<tr>
<td>Second Line Support</td>
<td>Second Line Support involves reproduction of Incidents/Problems and resolution of installation and configuration issues, reporting into tracking system, and escalation to the next appropriate support line if necessary.</td>
</tr>
</tbody>
</table>
3. **Delivery and Transfer of Rights**

3.1 Delivery terms are EXW (INCOTERMS 2010), EF’s business site unless otherwise set forth in the Contract. EF may arrange shipments with reasonable carrier service as deemed necessary, unless the Broadcaster itself organizes the shipment. When EF provides handling, it will prepay freight shipping, insurance and related costs and then charge the Broadcaster with 15% mark-up.

3.2 The transfer of ownership of hardware takes place at Delivery.

3.3 For each EF Product specified in the Contract, EF grants one non-exclusive right to use the product’s software in accordance with its technical and operations manuals for the purpose of controlling the Broadcaster’s EF robotic hardware only. The license is valid as long as the Broadcaster pays the Annual License Fee. EF software shall not be transferred to other computers than it is delivered on without consent from EF.

3.4 For each right acquired, the Broadcaster hereby accepts, to only use the software in accordance with the provision in the Contract.

3.5 EF and its subcontractors remain at any time the holders of all Intellectual Property Rights to software and documentation. This applies to standard programs as well as those developed specifically for the Broadcaster.

3.6 In the event that the Broadcaster enters into a leasing contract with a finance company in respect of the EF Product, the Broadcaster agrees to be bound by the restrictions and obligations contained herein, during the term of any such lease, notwithstanding any assignment or subrogation of rights and obligations to the finance company or any provisions to the contrary contained in any such lease. In such an event, the finance company’s rights and interests in the EF Product shall at all times be governed by the provisions or the terms and conditions herein.

4. **Validity**

4.1 The Contract shall be effective from the date of signature and shall continue as long as the Broadcaster uses the product, unless and until terminated in accordance with the provisions of this Contract.

4.2 EFs SLA obligation, if applicable, commences when Delivery is performed and remain as long as the Broadcaster pays SLA fees.

4.3 Project management, if applicable, commence at Contract signature and continue until Delivery is performed and outstanding work is completed.

5. **Prices and Payment Terms**

5.1 All prices in the Contract are exclusive of any travel and subsistence costs. EF will make its travelling arrangements according to Norwegian State regulations\(^1\), prepay costs and then charge the Broadcaster according to these regulations with a 15 % administrative mark-up.

5.2 All prices in the Contract are valid for a period of 6 months from Contract signature. Unless specifically marked “Firm”, payment scheduled or performed thereafter will be subject to annual adjustments January each year, according to the official Statistics Norway Consumer Price Index\(^2\) (CPI) for the previous year.

5.3 Invoices will be submitted on the relevant advance, milestone, delivery or periodic due dates and shall be paid net 30 days from the date of issuance.


\(^2\) [http://www.ssb.no/english/](http://www.ssb.no/english/)
5.4 Any payment overdue, unless on reasonable grounds as set forth in the Contract or by law, shall be subject to interest charges according to the Late Payment Act.

6. Copyrights, Trademarks and Intellectual Property Rights

6.1 The Broadcaster acknowledges that the supporting software and software integrated in hardware components of the EF-product, including later Updates, Upgrades, and also tailored software hereto shall at all times remain the property of EF or its subcontractors.

6.2 The Broadcaster thus, agrees that no title to software in the EF-product or any Updates, Upgrade or tailored software hereto is or will be transferred to the Broadcaster.

6.3 Further, the Parties recognize that hardware or components in the hardware are protected by patents and other proprietary rights. Ownership to the hardware includes a right to use such patented solutions only.

6.4 Broadcaster agrees to fully honor and respect all such protected and protectable solutions in hardware contained in the EF-product.

6.5 The Parties agree to adhere to all laws and regulations to secure all trade secrets, copyrights, trademarks, product names and other protected rights of the contracting Parties.

6.6 A Party may present information about the contract existence on reference list without further consent. Beyond that, in the event that a Party wishes to publish information related to the EF Product and its use at the Broadcaster, the Party agrees to submit to the other Party for review materials prepared prior to release. Both Parties shall use the other Party’s trademarks and trade names in a manner so as to clearly identify property rights.

7. Confidentiality and Safeguard of Property Rights to the EF Product

7.1 The Parties acknowledge that business confidential and proprietary information may be unveiled between the Parties and agree not to, directly or indirectly, disclose to third parties any trade secrets or otherwise use any such confidential and proprietary information received from the other Party for any purpose other than the intended purpose set forth herein.

7.2 The broadcaster acknowledges that the EF Product contains valuable proprietary information and trade secrets of EF or its subcontractors, and the Broadcaster agree to hold in confidence its knowledge of the software system design and program structure, system logic, program flow, data flow, file content, video and report formats, coding techniques and routines, file handling, data handling, user interface screens, communications protocols, report and form generation, and any other technological information or information pertaining to the EF Product or EF’s business.

7.3 The Parties agree to take reasonable steps to safeguard all such confidential information and to prevent unauthorized access, disclosure, distribution, possession, alteration, transfer, reproduction or use thereof, including but not limited to taking appropriate action by agreement or otherwise with their officers, employees and representatives who are permitted access to the confidential information, ensuring that officers, employees and representatives of the Parties are prevented from taking any action which the Parties are prohibited from taking hereunder, as well as taking reasonable steps to prevent or remedy any actual or potential violation of the foregoing.

7.4 The Broadcaster agrees to notify EF promptly and in writing of the existence of any circumstances surrounding unauthorized access, disclosure, distribution, possession, alteration, transfer, reproduction or use of the EF Product or any of its parts.

7.5 Except to the extent set forth in the Contract, the Broadcaster agrees that it shall not sell,
lend, rent, lease, sub-license or otherwise transfer the EF Product or the computer(s) on which the EF Product is installed, to any person or third party without the prior written consent of EF.

7.6 The Broadcaster agrees that it shall not make or have made any copies of the EF Product, nor make or have made any copies of related documentation or technical or operation manuals beyond what is necessary for the contractual use except as authorized in writing by EF.

7.7 The Broadcaster agrees not to disassemble, decompile or reverse engineer any portion of the EF Product, nor to use EF’s data structures or communications protocols for development purposes, without a prior written consent from EF. In the case where such action is deemed necessary in order to use the EF Product for the purpose of this Contract, such consent should not be withheld.

8. Warranty

8.1 EF warrants the EF Product to be manufactured and tested according to professional standards and that all services will be conducted in accordance with professional and etic standards, hereunder obeying to all relevant laws and regulations on anti-bribery and ethical business conduct.

8.2 EF warrants that the EF Product, for a period of 12 months from Delivery (the Warranty period), is in compliance with the Contract.

8.3 EF will provide remote and on-site rectification services during the Warranty period. The Warranty does not cover travelling to customer site. Travel will be charged according to clause 5.1.

8.4 Spare Parts will be provided without cost during the Warranty period at the discretion of EF Second or Third-Line Support

8.5 For the avoidance of doubt, the fault rectifications obligations in clause 8.3 will further be adhered to when SLA is contracted and maintained.

9. Liabilities

9.1 It is expressly agreed that EF’s maximum liability for damages hereunder, regardless of the form of legal action, whether in contract or in tort, shall in no event exceed the Total Delivery Price of the Contract.

9.2 Notwithstanding the aforementioned, in no event shall EF be liable hereunder for indirect or consequential damages such as loss of profits, loss of revenue, loss of data, or claims against the Broadcaster by any other party except as provided in clause 10 below.

9.3 In the event of more than 20 days delay from the agreed date of Delivery, subject to the delay solely being caused by EF, the Broadcaster is eligible to liquidated damages equal to 10% of Total Delivery Price per day, limited to 10% of the Total Delivery Price after 100 days from said 20 days. For the period this liquidated damages clause apply, the Broadcaster cannot seek other forms of compensation.

9.4 The Parties shall not be liable for any damages whatsoever resulting from a force majeure or an act of a third party of no fault on the Party’s behalf, it being understood that any fault of a third party commissioned by EF or working for or delivering on behalf of EF shall be deemed a fault on EF’s behalf.

9.5 No legal action, regardless of form, may be brought by one Party against the other Party for any reason whatsoever more than two (2) years after the facts giving rise to a cause of action hereunder.
10. Patent and Copyright Indemnification

10.1 EF warrants that it has developed, owns, and/or possesses all rights and interests in the EF Product necessary to enter into the Contract.

10.2 EF shall indemnify the Broadcaster from and against damages and costs which may be awarded against the Broadcaster resulting from third party suit or proceeding (in which EF has participated with due assistance from the Broadcaster or decided not to participate in).

10.3 In cases where the use of any EF Product is denied under such suit or proceeding, or in the event that the terms of settlement agreed upon require it, EF shall, at its own expense and its sole discretion:

- procure to the benefit of the Broadcaster the right to continue using said EF Product; or
- replace same with an equivalent non-infringing product; or
- modify the infringing EF Product to render it non-infringing; or
- remove the infringing EF Product and refund the purchase price the Broadcaster paid therefore.

10.4 EF shall not indemnify the Broadcaster for any loss of profit or revenue, resulting from such suit or proceeding, neither for alleged breaches not being confirmed by settlement or suit. EF shall not be bound by any settlement of any charge of infringement made without the prior written consent of EF.

10.5 Notwithstanding the foregoing, EF shall have no obligations towards the Broadcaster for:

- any claim arising from the sale or use of any EF Product which has been modified by others than EF, or
- supplied by EF in accordance with the Broadcaster's designs, specifications or instructions, or
- arising from the sale or use of any EF Product supplied hereunder in combination with other products where such infringement would not have occurred but for such use in combination with such other products, or
- arising from failure of the Broadcaster to use an updated EF Product provided by EF, at EF's sole expense with the purpose of avoiding such infringement.

10.6 The foregoing states the entire liability of EF towards the Broadcaster, whether in terms of damages or otherwise, for infringement of any copyright, patent, or other proprietary right with respect to any product furnished by EF hereunder.

11. Termination

11.1 The Broadcaster has the right to terminate the Contract 3 years from Delivery by giving 90 days advance notice in writing, provided he intend to stop using the EF Product.

11.2 EF has the right to terminate the Contract 7 years from Delivery (Lifetime expectancy) by giving 90 days advance notice in writing.

11.3 Both Parties have the right to terminate the Contract, in the event of default by a Party of any of its material obligations under the Contract, which default is not remedied within 90 days from a written notice. A confirmation of the termination of the Contract shall also be forwarded.
12. Assignment

12.1 The Contract is for the benefit of and shall bind the Parties hereto and their respective successors and permitted assignees provided, however, that unless otherwise agreed herein neither the conditions herein nor any benefit hereunder may be assigned or otherwise transferred by the Broadcaster to any third party without the prior written consent of EF. Such consent shall not be unreasonably withheld. This also applies to Broadcaster’s service providers and EF’s service partners.

13. Non-waiver

13.1 The failure or neglect by a Party to enforce in any one or more instances any of the terms and conditions herein shall not be construed as a waiver of the future performance of any such term or condition. Waiver of any term or condition herein shall only be deemed to have been made if expressed in writing by the Party granting such waiver.

14. Force Majeure

14.1 Neither Party shall be liable or deemed to be in default for any delay or failure in performance under the Contract directly or indirectly due to force majeure occurrences, civil or military authority, war, riots, civil disturbances, accidents, fire, earthquakes, floods, strikes, lock outs, labor disturbances, court or governmental order, or any other cause beyond the reasonable control of such Party.

15. Governing Law

15.1 The conditions herein shall be construed in accordance with and governed by Norwegian law, without regard to conflict of law principles which would cause the laws of any other jurisdiction to apply. The Broadcaster consents and agrees that all legal proceedings relating to the subject matter of the Contract shall be maintained by the Norwegian courts, the legal venue for such proceedings are agreed to be Bergen City Court, Bergen, Norway.
Chapter B: Service Level Agreement (SLA)

16. SLA Overview
Under the Service Level Agreement, EF and/or its Designated Service Partner will perform:

- A remote support process as depicted in clause 18, containing First-, Second- and Third Level Support. Refer to clause 2 Definitions. This process may be entered without knowledge of whether the root cause of the Incident or Problem is operation related, configuration, a Connected System fault, software or hardware. The support language is English.

- On-site Support and Repair and Spare part handling as described in clauses 19-21, when advised by EF through the remote support process.

- Annual Inspection of the products as described in clause 22.

- Maintenance of the product as described in clauses 23-24.

All work will be performed in accordance with good practice.

EF will support a Broadcaster’s ITIL based change management system if implemented. For Incidents and Problems classified as Critical, the change control procedures may be completed retrospectively.

17. Deficiency Categorization
Deficiencies covered are categorized in accordance with the guidelines below:

<table>
<thead>
<tr>
<th>Fault category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>The fault results in the failure of the EF Product’s ability to broadcast. No known workaround is available. If an acceptable workaround is provided to resolve the fault the target response time is downgraded, refer to clause 18</td>
</tr>
<tr>
<td>Major</td>
<td>The fault does not result in a failure to broadcast, but causes the EF Product to produce incorrect, incomplete, or inconsistent results, or the fault impairs the EF Product’s usability. For example, limited movement of the robot. Acceptable processing alternatives or workarounds exist which yield the desired result.</td>
</tr>
<tr>
<td>Minor</td>
<td>The defect does not result in a failure of the EF Product and does not impair usability of the product. Appropriate processing results can be obtained by working around the fault.</td>
</tr>
</tbody>
</table>
18. Target Service Levels – Remote Support

The following target service levels apply for remote support and product maintenance:

<table>
<thead>
<tr>
<th>Fault category</th>
<th>First Line Support</th>
<th>Second Line- and Third Line Support target response times from call acknowledgement</th>
<th>Product Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Start of diagnosis</td>
<td>Diagnosis</td>
</tr>
<tr>
<td>Critical</td>
<td>Immediate phone support.</td>
<td>1 hour</td>
<td>Verbal after 2 hours</td>
</tr>
<tr>
<td>Major</td>
<td>Daily support e-mail review.</td>
<td>Next working day</td>
<td>Verbal after 8 working hours</td>
</tr>
<tr>
<td>Minor</td>
<td>2 working days</td>
<td>10 working days</td>
<td>Next two releases of software</td>
</tr>
</tbody>
</table>

19. On-site Support and Repair

19.1 On-site Support and Repair is initiated by Second- or Third Line Support and shall be authorized by the Broadcaster. When urgent On-site Support or Repair is so authorized, EF or its Designated Service Partner is obliged to perform it as described in clause 2. Definitions

19.2 Hardware shall be only be sent to repair after a repair authorization is issued by EF Second- or Third Line Support. EF will issue such authorization if and when such action is deemed necessary. When authorization is received, the Broadcaster shall provide packing and shipment and pay shipping cost to designated repair center. EF shall provide and pay return shipment accordingly. Mechanical parts will be charged according to clause 20.2 and return shipment will be charged according to clause 3.1

20. Spare Parts

20.1 A Spare Part list for the relevant EF Product is attached as Annex A. EF or its Designated Service Partner will keep stock of these parts.

20.2 Spare Parts and Parts will be available at vendor’s price plus 15% storage and handling fee under SLA from the conclusion of the Warranty period.
21. Target Service Levels – On-site Support and Repair and Spare Parts handling

<table>
<thead>
<tr>
<th></th>
<th>Mobilization time before travel start</th>
<th>On-site Support and Repair work from arrival</th>
<th>Spare Part delivery (FCA)</th>
<th>Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>4 hours</td>
<td>Continuous</td>
<td>First working day</td>
<td>Express, normally overnight to major cities</td>
</tr>
<tr>
<td>Major</td>
<td>1 working day</td>
<td>Working days</td>
<td>Two working day</td>
<td></td>
</tr>
<tr>
<td>Minor</td>
<td>Work to be performed at Annual Inspection</td>
<td>Per vendor’s delivery time</td>
<td>Regular</td>
<td></td>
</tr>
</tbody>
</table>

22. Annual Inspection and feedback meetings.

22.1 System and parts will be Inspected and Replaced as applicable during Annual Inspection.

22.2 The Parties will attend annual feedback meetings. In the feedback meetings, the EF Product and the SLA works will be reviewed. EF will be informed about any operational difficulties, plans for new studio equipment which requires development, envisioned new functionality and other issues the Broadcaster deems important. EF will, besides responding to questions, give updated information/training on new EF Product functionality and equipment support available in the software updates. The Parties will cover own costs related to these meetings.

23. Software Updates

23.1 The Broadcaster obtains the right to have free Software Updates as long as the annual SLA is maintained, and Annual License Fee is paid.

23.2 Updates are installed using the Electric Friends Remote Service system when so ordered by the Broadcaster.

23.3 The Broadcaster shall be regularly informed of new software versions of the EF Product through release notes.

23.4 EF will provide an Software Update to the EF Product within two releases of software (i) when repeating problems appear at a broadcaster, (ii) after a fault is reported and hot-fixed at a broadcaster, (iii) a fault is recognized by EF, (iv) if an update is necessitated by changes in operating systems (versions or service packs etc.) or hardware components; (v) when improvement or additional features are developed and become an inseparable integral part of the product.

23.5 EF undertakes to amend documentation manuals when the EF Product is Updated or when the Broadcaster makes EF aware of mistakes, omissions or other deficiencies in the documentation.

23.6 EF shall support non-current software versions of the EF Product for a period of 12 months following the release of a new version, after which period the new version shall be the only version of the EF Product maintained or supported by EF, irrespective of whether the Broadcaster has obtained or installed such a new version.
23.7 Updates are provided as long as the Annual Software License Fee and SLA is paid.

23.8 Neither the Warranty or the SLA warrant that the EF Product will function in system, after a change in the Connected System or its interface exercised by the Broadcaster or Connected System supplier. At request, EF shall however make every reasonable effort to resolve such issues.

24. Connected System Changes

24.1 The Broadcaster has the right to request development in order to support existing Connected Systems which have been subject to change, as well as new Connected Systems to be procured, provided that such equipment or systems are of the same type of systems as already supported by the EF Product. With the request, the Broadcaster shall submit to EF information on the Connected System as well as its interface protocol.

24.2 In response to such requests EF shall submit in good faith and without undue delay an estimate containing schedule and price for the new C System support. If the development of an estimate requires technical elaborations, EF may require hourly and direct costs for the estimate covered by the Broadcaster, provided EF in advance has required the Broadcaster to cover the elaboration costs in writing, and that the Broadcaster has agreed hereto in writing.

24.3 In light of such estimates, the Broadcaster will decide whether or not the new driver or driver enhancement is to be introduced and will advise EF of its decision in writing.

24.4 When a new driver development or a driver enhancement is so authorized, EF shall proceed with the development and execute other necessary tasks to fulfil the requirements.

24.5 Any new Connected System support, Update or Upgrade thereto furnished by EF to the Broadcaster shall be governed by the terms and conditions herein and shall be deemed as a new version thereof.

25. Broadcaster Obligations

25.1 The Broadcaster will secure remote access to EF software when required.

25.2 In order to secure efficient support, minimum one Broadcaster representative trained in the EF Product operation shall be on duty. Further, during normal business hours minimum one Broadcaster representative trained in the product’s support shall be on duty. Access to EF remote support shall be made from the second representative mentioned above when on duty and otherwise from the first representatives mentioned above.

25.3 Relevant support to EFs personnel during On-site Support and Repair and Annual Inspection is to be granted by the Broadcaster. The Annual Inspection shall be scheduled at a time where the Broadcaster’s prime EF Product contact is available.

25.4 The Broadcaster shall perform minimum semi-annual emergency exercises.
26. Service Credits

26.1 Service credits shall be calculated based upon EF’s performance during the 12 months leading up to each anniversary after Delivery (“Calculation period”).

26.2 The following further definitions shall apply in calculating the Service credits:

a. The number of Incidents and Problems reported to EF during the Calculation period shall be known as the “Total calls”.

b. The number of the Total calls which were resolved by EF within the Target service level shall be known as “Total in-time calls”.

c. The number of the Total calls which were resolved by EF outside of the Target service levels shall be known as “Total out-of-time calls”.

d. EF shall have an allowance of one failure to meet the Target service levels during any particular Calculation period, so that the Service credits calculation shall use the Total out-of-time calls minus one (the “Adjusted out-of-time calls”).

e. The percentage of Adjusted out-of-time calls as a proportion of the Total calls shall be called the “Out-of-time percentage”.

f. The performance of EF shall be calculated as 100% minus the Out-of-time percentage, rounded to the nearest percent (“EF’s Performance”).

26.3 Service Credits shall be payable if EF’s Performance during the Calculation period is less than 95%, as follows:

<table>
<thead>
<tr>
<th>EF’s Performance</th>
<th>Service credits accruing (percentage of the charges for SLA during the Calculation Period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>95% - 100%</td>
<td>None</td>
</tr>
<tr>
<td>93% - 94%</td>
<td>0.5%</td>
</tr>
<tr>
<td>92%</td>
<td>1%</td>
</tr>
<tr>
<td>90% - 91%</td>
<td>2%</td>
</tr>
<tr>
<td>88% - 89%</td>
<td>3%</td>
</tr>
<tr>
<td>86% - 87%</td>
<td>4%</td>
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<tr>
<td>85%</td>
<td>5%</td>
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<tr>
<td>84%</td>
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<td>83%</td>
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<td>76%</td>
<td>14%</td>
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<tr>
<td>75%</td>
<td>15%</td>
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</tbody>
</table>

26.4 As long as EF’s performance inside the table above, the Service credits accruing will be the sole compensation remedy.
Chapter C: Projects

27. Project Planning and Preparations

27.1 Planning, performance and Delivery shall take place according to a Project Schedule in the Contract.

27.2 Prior to the installation of the EF Product, the Broadcaster will secure and be responsible for all interfaces and infrastructure required for the installation; and ensure ability to connect Electric Friends Remote Service system via the Internet.

27.3 During installation, the Broadcaster will ensure that personnel from EF and/or its Designated Service Partner have at least 8 hour daily access to facilities, and can use their laptop to connect to headquarter via VPN internet-tunnel or other means.

28. Testing and Acceptance

28.1 The EF Product will be tested together with Connected Systems in a System Integration Test (SIT) and test results will be approved by the Broadcaster. The Broadcaster has the right to witnessing the SIT, or to consider accepting the EF Product based on a SIT report. Any deficiencies detected in Connected Systems will be the responsibility of Broadcaster. Faults in such equipment during SIT shall not obstruct acceptance of the EF Product.

28.2 Prior to the SIT, EF shall submit to the Broadcaster a SIT procedure for his review. The SIT procedure shall besides generic tests of the EF Product also cover specific requirements of the Contract.

28.3 A SIT report shall be prepared by EF for acceptance by the Broadcaster. Any deviations will be classified according to clause 16 and shall be rectified by EF in due cause. The Broadcaster may reject Delivery if Critical faults are present, when there are more than 5 Major faults or more than 10 Minor faults.

28.4 When the Broadcaster choose to accept a SIT with reported deviations, as the sole remedy, it may withhold an agreed amount of the SIT milestone payment until the SIT report faults are corrected. The agreed amount shall be comparable to the costs of correction and not exceed 10% of the total price of the actual delivery of the Contract.

28.5 The EF Product may not be used on-air for commercial or public service broadcast nor used for any other operational production or self-organized training before Delivery. Any such use of the product will be regarded as an acceptance of the Delivery.

29. Project Postponements and Delays

29.1 The Parties shall make reasonable actual and commercial efforts to minimize delivery delays and fulfil their obligations in a timely manner. However, in the event of project delays solely caused by EF, the liquidated damages of clause 9.3 is applicable.

29.2 In case of delays in Broadcaster’s tasks being prerequisites for EF’s progress, EF should be compensated for waiting hours travelling and at site and additional travel- and subsistence costs.

29.3 In case of Broadcaster’s delay in supply of a Connected Systems, EF reserves the right to perform the SIT at contracted date, excluding from the test the Connected system not properly installed, configured or tested by the Broadcaster. In such case the Broadcaster shall accept the SIT without regard to the Connected System interfaces not tested. A later interoperability test with such equipment may however be arranged at the Broadcaster’s cost.