

# Standard terms of purchase

## Of Kamstrup A/S – CVR No. 21 24 81 18

### 1.0 General terms and conditions

- 1.1. Any purchase order ('PO') placed by Kamstrup A/S ('Buyer') to seller ('Seller') regarding the purchase of goods ('Products') from Seller ('Agreement') is made subject to these general terms and conditions of purchase ('the Terms'). An Agreement may consist of one or more POs. and reference to the Agreement includes any PO thereunder. Buyer and Seller may individually be referred to as 'Party' and jointly as 'Parties'.
- 1.2. All Seller's terms of sale and delivery (if any), stated for example in general terms of sale and delivery, in the Seller's order confirmation or confirmation letter, are not binding on Buyer. This applies notwithstanding that they have not been expressly declined on the part of Buyer. Buyer's receipt of the Products without any simultaneous or later rejection of the Seller's deviating terms of delivery, if any, cannot be construed to be tacit acceptance of the Seller's terms by Buyer.
- 1.3. These Terms shall apply to the Agreement in full unless explicitly agreed otherwise in writing between the Parties. Such written agreement on deviation of the terms of purchase only applies to the respective Agreement. In case of conflict, any specific terms of the Agreement or the respective PO shall take precedence over these Terms.

### 2.0 Delivery

- 2.1. Delivery must take place on the exact date of agreed delivery. Part deliveries and deliveries before the agreed date of delivery are not permitted. Delivery of a smaller or larger quantity than stated in the Agreement is not permitted. As soon as the Seller becomes aware that it cannot deliver the Products on time, it must inform Buyer thereof, such notice to be written and stating the reason for the delay as well indicating when delivery will take place.
- 2.2. If the date of delivery is exceeded, Buyer is entitled to Terminate the Agreement or the respective PO. In the event of Termination, Buyer is released of any obligation to pay damages, and the Seller may not affirm the PO in full or in part. Buyer is entitled to claim damages for any direct or indirect loss incurred by Buyer as a consequence of late delivery, irrespective of whether or not Buyer terminates the Agreement or PO.
- 2.3. If the Products delivered do not correspond to the specifications (Clause 5.2 below) they shall not be considered to have been delivered. The Buyer shall be entitled to return, the Products at the Seller's cost and

risk and the Seller shall re-deliver corresponding Products at the Seller's cost and risk.

- 2.4. Buyer shall have the right, but not the obligation, to inspect or cause the inspection of the Products at Seller's premises at any time prior to delivery of such Products, including during their manufacturing, processing or storage. Where the Products are determined to be compliant with the Agreement, the Buyer shall bear the cost of such inspection and where the Products are determined not to be compliant, the Seller shall bear the cost of such inspection. Buyer is under no obligation to conduct any inspection or test of the Products upon, or after, Buyer's receipt of the Products. Inspection or testing pursuant to this Clause 2.4 shall not constitute acceptance of any Products by Buyer and shall not relieve Seller of any of its obligations under the Agreement.

### 3.0 Terms of delivery and payment

- 3.1. The payment terms are end of the invoice month plus 60 days.
- 3.2. The terms of delivery are DDP Buyer (Incoterms 2020), Industrivej 28, DK-8660 Skanderborg, Denmark.

### 4.0 Marking of packaging

- 4.1. The Seller must mark and pack the Products sold and to be delivered in compliance with any instructions from Buyer and applicable transport regulations.

### 5.0 Warranties

- 5.1. The Seller warrants that the Products delivered are suited for the purpose specified by it or Buyer and in any case suitable for the normally expected use of the respective Products.
- 5.2. The Seller warrants that the Products delivered conform with any agreed specifications, drawings and samples.
- 5.3. The Seller warrants that the Products are free from faults, non-conformities or defects ('Defects') of any kind for a period of five (5) years from the delivery date.
- 5.4. If the Products delivered are shown to have a Defect, Buyer is entitled to terminate the Agreement or the respective PO in full or in part and/or claim damages for any direct or indirect loss which Buyer may suffer as a result of the Defects. The Seller is not entitled to remedial action, supplementary delivery or replacement delivery without Buyer's written acceptance.
- 5.5. A 'serial fault' is deemed to exist if two percent (2%) or more of a delivery or production lot has the same fault. If a serial fault occurs within a period of ten (10) years from the delivery date, the Seller is obliged to replace the

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entire delivery or production lot at no expense to Buyer. If materials other than those approved by Buyer are required, such materials must be approved by Buyer. In case of a serial fault, Buyer is entitled to claim damages from the Seller for each direct or indirect loss suffered as a consequence of the serial fault.

- 5.6. During the entire warranty period, Buyer is entitled to submit complaints and claim the remedies for breach described above, regardless of when the defects are discovered.

## 6.0 Remedy of Defects

- 6.1. If Buyer demands that the Seller remedies a Defect in the Products delivered, this must be made immediately after Buyer's demand to that effect. The Seller pays all costs in relation to the remedy. When any Defect has been remedied, the Seller is responsible for the remedied part of the Products on the same conditions as applied to the rest of the Products for a period of five (5) years from the date the remedial action was performed. For the rest of the Products, the warranty period is extended by a period corresponding to the period for which Buyer was prevented from using the Products or a substantial part thereof.
- 6.2. Buyer is entitled to remedy any Defects in the events below at the Seller's expense and risk and without changes in the warranty provided by the Seller:
- 6.2.1. insignificant Defects.
- 6.2.2. if the Seller fails to immediately remedy a Defect complained of in due time.
- 6.2.3. in instances urgent to Buyer where the Seller's usual remedial action cannot be awaited.

## 7.0 Liability

- 7.1. The Seller shall maintain a liability insurance, both for tort and contractual liability, with usual coverage and on usual terms with a reputable insurance company. At request, the Seller must document that the said insurance is in force and on which terms.
- 7.2. If liability to a third-party is imposed on Buyer, Buyer has full recourse against the Seller in relation to liability attributable to Seller.
- 7.3. The Seller is under an obligation to become a party before the same venue which tries any liability case against Buyer attributable to Seller.

## 8.0 Special tools and moulds

- 8.1. All special tools and moulds manufactured for Buyer's production, which are wholly or partly paid by Buyer:
- 8.1.1. must be maintained or renewed at no expense to Buyer.
- 8.1.2. are used only for Buyer's production.
- 8.1.3. must be surrendered immediately upon request and at no expense to Buyer.

## 9.0 Suppliers and sub-contractors

- 9.1. Seller shall be jointly and severally liable to Buyer for its suppliers or sub-contractors.

## 10.0 Commercial documentation

- 10.1. Buyer's order number must be stated in all correspondence with Buyer. This also applies to the invoice and the delivery note/label, which must always accompany the Products sold. The detailed scope of the commercial documentation is otherwise specified in the delivery instructions attaching to the PO or the acceptance.

## 11.0 CSR, environment, health and safety

- 11.1. Buyer has undertaken to comply with the UN Global Compact. Buyer may require Seller to complete Buyer's CSR forms and permit Buyer or its auditors to carry out a CSR audit of any of Seller's or its suppliers' or subcontractors' premises. Buyer recommends that the Seller to comply with ISO 14001 and OHSAS 18001.

## 12.0 Force majeure

- 12.1. A Party is not liable in damages for any non-performance of its obligations, where such Party can prove that the non-performance is attributable to circumstances beyond its control and that the Party in question, at the conclusion of the Agreement, could not reasonably have been expected to foresee the circumstances or have avoided or overcome their consequences.
- 12.2. If a Party's non-performance is caused by a third-party engaged to perform the Agreement in whole or in part not performing its obligations, the Party will only be exempt from its liability if:
- 12.2.1. exempt according to the provisions of Clause 13.1 and
- 12.2.2. the third-party engaged by such Party would have been exempt, had the provisions of Clause 13.1 applied to him.
- 12.3. The exemption from liability under this Clause applies as long as the force majeure situation persists. The non-performing Party is obliged to notify the other Party about the force majeure situation and its impact on the performance of the Agreement. If the other Party does not receive such notice within a reasonable period after the non-performing Party became or should have become aware of the force majeure situation, the non-performing Party is liable in damages for the loss resulting from failing to notify the other Party.
- 12.4. The provisions of this Article 12 do not prevent the Parties from claiming other rights than the right to claim damages. Either Party is entitled to cancel the Agreement or the PO respectively to expire at the end of a month without incurring any liability when the force majeure situation has persisted for more than six months.

## 13.0 Transfer of title and Retention of title

- 13.1. Title to the Products shall pass from Seller to Buyer upon delivery at the agreed delivery point or upon payment of the price for such Products, whichever is earlier. If the Seller stocks the Products for Buyer, title to the Products sold passes to Buyer upon payment, and the Seller is obliged to immediately separate/isolate such Products from other products and clearly mark them with Buyer's name.

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- 13.2. The Seller must ensure that Buyer's property, e.g. tools and products involved in the execution of the Agreement, are covered by the Seller's insurance until the return of such items to Buyer. Buyer may request to see the insurance policy and a receipt for payment of the most recent premium.
- 13.3. All Products in the Seller's warehouse(s) must be stored in such a way as to ensure that they are not damaged. If technical specifications for storing such Products exist, they must be complied with.
- 13.4. The sale & delivery of the respective Product by Seller may not be subject to any retention of title or any other encumbrances and such rights can in any case not be enforced vis-à-vis Buyer.

## 14.0 Intellectual property ('IP') rights etc.

- 14.1. The Seller warrants that the Products are not designed, manufactured or delivered under such circumstances as to cause Buyer's use of the Products for the agreed or intended purpose to infringe third-party IP rights. The Seller is obliged to defend and indemnify Buyer against any and all claims, expenses and costs arising in connection with any actual or alleged IP-infringement.
- 14.2. All rights attaching to the Products, including trademarks, copyrights and design rights, as well as any possible improvements in relation thereto, shall belong to Buyer. Seller may not apply for or assist in the application for registration of such rights in its own name contrary to this provision.
- 14.3. The Seller may not display, refer to or use Buyer's products, business name or trademark without Buyer's written approval.
- 14.4. The Seller may not show the production of Buyer's Products to the Seller's other customers without Buyer's written approval.
- 14.5. The Seller may not mark the Products with its own trademark, logo and item numbers. Only Buyer's item number or the marking approved by Buyer may take place.
- 14.6. The Seller may not apply for design registration of Products on Buyer's behalf without Buyer's written permission.

## 15.0 Third-party rights and indemnity

- 15.1. If legal proceedings are instituted against Buyer claiming that the Products delivered by the Seller infringe any third-party rights, Buyer must inform the Seller to that effect in writing. If Buyer decides so, the Seller must assume the proceedings and pay all costs in relation to the proceedings. If Buyer decides that the Seller should not assume the proceedings, the Seller must join the proceedings to the benefit of Buyer, at Buyer's request. The Seller must indemnify and hold Buyer harmless from all costs in relation to the proceedings, including legal costs and legal fees.
- 15.2. In the event of IP-infringement, the Seller must remedy the infringement through, at its own expense, obtaining a licence/right of use to the Products causing the

infringement, or by replacing the said Products to ensure compliant performance of the Agreement.

- 15.3. Seller shall indemnify, defend and hold harmless Buyer, Buyer's affiliates and their respective directors, employees, agents and their successors and assignees from and against any and all damages, liabilities, claims (including but not limited to claims based on product liability laws), suits, actions, demands, costs and expenses (including legal costs) made against, or suffered by the Buyer, Buyer's affiliates or their respective directors, employees or agents and their successors and assignees arising out of or in connection with: (a) the wrongful performance of the Agreement or the delivery of Products by Seller; (b) any breach of Seller's warranties, representations, covenants or other obligations or duties contained in the Agreement or any breach or violation by Seller of any other obligation or duty under applicable law; or (c) any negligent acts or omissions, or wilful misconduct relating to the Agreement by Seller, its employees, officers, directors, contractors, subcontractors or agents.

## 16.0 Disputes

- 16.1. The Parties shall seek to settle any dispute arising out of the Agreement, including disputes relating to the existence or validity of the Agreement or any PO thereunder, through mediation by Danish Arbitration in accordance with the Danish Arbitration's rules thereon applicable at the time the request for mediation was submitted. The mediation shall take place in Aarhus, Denmark.
- 16.2. Mediation shall not preclude a Party from instituting arbitration proceedings in accordance with the provisions set out below or from taking other legal steps in relation to the dispute arisen.
- 16.3. If the mediation ends without the dispute having been resolved, the dispute shall be settled by arbitration by Danish Arbitration in accordance with the Danish Arbitration's rules thereon applicable at the time the arbitration proceedings were instituted. The arbitration shall take place in Aarhus, Denmark.
- 16.4. The laws of Denmark excluding any choice of law rules shall govern the Agreement, any PO thereunder and the settlement of disputes.

## 17.0 Data Protection

Seller shall, and shall cause its personnel to: (a) comply with all applicable laws and regulations pertaining to the protection of personal data; and (b) immediately inform Buyer of any personal data security breach ('Breach').