

Standard terms and conditions of purchase

1. General provisions

These standard terms and conditions of purchase (the "Conditions") apply to all purchase orders made by AH Industries A/S ("AH"), central business reg. no. (CVR no.) 33 85 93 41, to AH's supplier (the "Supplier"), unless otherwise agreed in writing between AH and the Supplier.

The Conditions have priority over the Supplier's standard conditions, if any, business practices and the like. The Supplier's standard conditions are subject to AH's express and written acceptance thereof. AH's acceptance of and payment for deliveries and/or services (the "Product") do not constitute approval of the Supplier's standard conditions, irrespective of AH's order including a reference to an offer forwarded by the Supplier.

Where AH has entered into a framework agreement with the Supplier or the like, these Conditions have priority over other terms in such agreements. AH will not be bound by terms stipulating automatic extension of agreements with the Supplier, unless such extension of the agreement is confirmed in writing by AH.

2. Placement of orders

AH places orders with the Supplier. The Supplier's acceptance of AH's order constitutes acceptance of the Conditions.

3. Price and payment

The price and the terms of payment are agreed with the Supplier in accordance with a Framework Agreement. The Supplier is not entitled to invoice an order prior to delivery. All invoices must be sent to AH and must indicate order number, any serial number, date of order, type of delivery, date of delivery as well as any other information required by AH. VAT and any other indirect taxes must be indicated separately.

4. Delivery and title

The Supplier must deliver duty paid in accordance with DDP Incoterms 2010 unless otherwise agreed in writing. Where AH asks the Supplier to effect delivery directly to the customer, AH will forward the customer's name and address prior to the indicated date of delivery.

Delivery of the Product must be effected with the proper quantity and at the time appearing from the order. Where the Supplier does not deliver the Product in due time, AH reserves the right to terminate the order for cause. The Supplier must give notice as soon as possible if it proves impossible to effect delivery in due time. AH reserves the right to claim damages in the event of delayed delivery.

The Product must be accompanied by the necessary transport documents (including expert licences, certificate of origin and other necessary licences) as well as delivery note indicating the Product, order

number as well as other information requested by AH. All fees and indirect taxes (except for VAT) including import and/or export taxes must be paid by the Supplier.

The Product must be properly packaged. AH reserves the right to examine the Product and/or the production process at reasonable times. Examinations before or after delivery or approval of AH's specifications, drawings, samples, etc., having been prepared by the Supplier, will not affect AH's right to reject non-conforming deliveries at a later time and or to make claims in respect of the Product.

Unless otherwise agreed in writing, title to the Product passes from the Supplier to AH at the time of delivery. Accordingly, any retention of title is not valid.

5. Delay

The Supplier must give notice of any delay. AH is entitled to terminate the order for cause or to maintain the order. If AH maintains the order and a force majeure situation does not exist, see clause 14, the Supplier must pay AH an agreed penalty of 0.5% of the order sum per day of the delay as well as a lump sum of DKK 3,000 per set of delayed transport documents. Payment of an agreed penalty or a lump sum does not entail that the Supplier is released of its obligations.

The Supplier is liable for any additional costs, including additional costs incidental to transportation, etc., which may arise as a consequence of the Supplier's delay. If AH terminates the order for cause, the Supplier is under an obligation to compensate AH for any costs incidental thereto, including costs incidental to AH's covering purchase, if any.

6. Rejection and return

AH's payment for or receipt of the Product does not entail AH's acceptance thereof. Upon receipt of the Product, AH will without undue delay examine the Product for visible defects. Products that are defective, do not correspond to the ordered quantity, do not comply with AH's specifications or in some other way do not live up to the Supplier's warranties may be returned by AH at the Supplier's expense. The Supplier must upon request to this effect from AH effect replacement delivery immediately and bear all costs incidental thereto. The Supplier is liable for any loss which may be imposed on AH.

AH may at any time by way of written notice cancel an order where the Supplier has not yet delivered the Product. As soon as the Supplier has received written notice of cancellation, the Supplier must take all reasonable steps to minimise the costs incidental to cancellation of the order. AH pays for all documented and unavoidable costs borne by the Supplier. Such payments must, however, always be limited to the value of the order. The Supplier must refund all part payments effected up until the cancellation of the order.

AH is entitled to terminate the order for cause at any time if the Supplier fails to meet its material obligations and/or is delayed or it must be expected that the Supplier is not able to meet its material obligations in due time. AH is entitled to damages for breach on the part of the Supplier according to the general rules of Danish law.

7. Changes

AH is entitled to request the Supplier to effect changes to design, drawings, specifications, quantities, times of delivery or other terms of the order. Where a change affects the Supplier's possibilities of delivering the Product or imposes additional costs on the Supplier, the Supplier must notify AH thereof 10 days from receipt of the request at the latest, such that AH may decide whether AH wants to maintain the request for a change. If AH maintains its request for a change, the parties must negotiate a fair adjustment of the price.

8. Supplier's warranties

The Supplier warrants that at the time of delivery, the Product

- (1) is of the highest quality and meets the specifications of the order as well as all other specifications disclosed to the Supplier,
- (2) may be used for AH's purpose,
- (3) meets all relevant and applicable legislative requirements, regulations, norms and standards, including but not limited to technical and safety-related standards and that the Supplier has obtained all necessary permits, registrations and approvals,
- (4) is not defective, including in materials, design and standard of workmanship and consists of materials of the highest quality and has been prepared applying the highest standard of workmanship,
- (5) does not infringe any third-party rights, including any intellectual property rights, title to property or rights granted by way of contract and
- (6) is delivered with all relevant information, documentation, certificates and manuals, including in relation to safety and correct handling.

All warranties and representations which the Supplier has been granted by or has received from a third party and which relate to the Product are assigned to AH concurrently with delivery. Where such warranty or representation cannot be assigned, the Supplier undertakes to make claims on the part of AH at AH's request to this effect.

The Supplier's warranties may be invoked for a period of 72 months from delivery of the Product to AH's customer, however, always until the expiry of the warranty period granted by AH to AH's customer, unless otherwise agreed in writing.

Unless otherwise stipulated in the Conditions or in a written agreement, the general rules of Danish law on warranty failure, defects, claims and damages apply in the event of defects and/or warranty failures in the Product. AH is, however, at all times and at its own discretion entitled to demand subsequent delivery/replacement delivery, remedial work, proportionate reduction and/or damages as well as to effect covering purchases in the event of the Supplier's breach as well as to terminate the order for cause in the event of the Supplier's material breach.

Replacement delivery must be made as quickly as possible and within 48 hours at the latest after AH's request to this effect to the Supplier.

9. Liability

The Supplier must indemnify AH as well as AH's customers, business partners, representatives and AH's associated companies against any loss, damage, claim, cost (including reasonable legal costs) as a consequence of or in connection with

- (1) the Supplier's misconduct, negligence and/or breach of the Supplier's warranties,
- (2) defects or non-conformity in the Product, or
- (3) the Product causing damage or injury to or causing a loss for AH's employees, contracting parties or a third party.

10. Termination, etc.

AH is at all times entitled to terminate the agreement with the Supplier in the event that the price is no longer competitive. In such case, AH will only be bound by the orders that have already been placed with the Supplier, see, however, clause 6 regarding cancellation.

11. Sub-deliveries

The Supplier is entitled to use sub-suppliers to the extent such use has been approved in writing by AH. The Supplier must at the request of AH produce the Supplier's list of sub-suppliers.

The Supplier's use of sub-suppliers does not affect the Supplier's liabilities and responsibility vis-à-vis AH according to the Conditions.

The Supplier must ensure that AH's right to reject or return the Supplier's deliveries according to clause 6 may also be invoked in relation to deliveries made by sub-suppliers.

12. Insurance

For as long as the Supplier is one of AH's suppliers, the Supplier must take out standard product and professional indemnity insurance for a period corresponding to the useful life of the Product with a recognised insurance company and with a limit of cover of a minimum of DKK 10,000,000 per insurance event. The insurance policy must also cover the Supplier's non-performance of the order/agreement with AH.

At AH's request to this effect, the Supplier must document that the insurance policies have come into force. The insurance sum does not limit the Supplier's liability vis-à-vis AH.

13. Auditing

AH, its customer and/or representative are at all times entitled to conduct control and review (auditing) of the production facilities at the Supplier and its sub-suppliers, respectively. The Supplier and its sub-suppliers are also at a request to this effect from AH under an obligation to produce relevant documentation in connection with such control. AH will, to the extent possible, notify the

Supplier in advance and ensure that the auditing is conducted within normal working hours. The Supplier accepts that any breach of AH's right to conduct the auditing will be considered material breach of the Supplier's obligations.

14. Force majeure

Neither party is liable for delays caused by force majeure situations, including natural disasters, epidemics, war, riots, states of emergency, mobilisation or similar military arrangements, confiscation, currency restrictions, import or export prohibitions, or other similar circumstances outside the powers of a party and which could not be anticipated at the time of conclusion of the agreement.

The Supplier's lack of staff, matters at the Supplier's sub-suppliers or other third parties and the lack of materials at the Supplier not caused by any of the above situations cannot, however, be considered a force majeure situation.

The Supplier is under an obligation to immediately notify AH about a force majeure event and must take reasonable measures to overcome the obstacle. AH is entitled to cancel the order where the obstacle continues in an uninterrupted period of more than 10 days.

15. Confidential Information

The Supplier undertakes not to disclose confidential information received from AH in connection with the Supplier's deliveries. The Supplier is not entitled to use such information for other purposes than the performance of its obligations in connection with the delivery.

16. Limitation of liability

AH is at no time liable for any form of loss of profit, operating loss, loss of goodwill, loss of data, indirect loss and/or consequential loss.

17. Governing law and jurisdiction

Any dispute arising from the Conditions must be settled according to Danish law excluding the application of the conflict of law rules of Danish law and CISG.

Disputes must be settled by arbitration using Copenhagen Arbitration applying the arbitration rules of the Institute of Arbitration applicable at the time of institution of the arbitration proceedings.