



These general terms and conditions of purchase (the "Terms") apply to all deliveries of products and services (the "Products") from a party ("Supplier") to KP Komponenter A/S ("KP"), unless otherwise expressly agreed in writing. In case of any discrepancy between these Terms and any terms and conditions put forward by the Supplier these Terms shall prevail.

1. ORDERING AND ORDER CONFIRMATION

1.1. Purchase orders will be issued by KP in writing, by fax or electronically and will be binding at Supplier's acceptance in writing, by fax or electronically. Any modifications of or comments to the purchase order by Supplier are binding only, if accepted by KP in writing. Performing of any part of a KP purchase order by Supplier will operate as Supplier's unconditional acceptance of the purchase order. A KP purchase order accepted by Supplier is hereinafter referred to as an "Order". Products and/or services covered by an Order are hereinafter referred to as "Products".

2. TERMS OF DELIVERY

2.1. Delivery of Products shall be made pursuant to the Order. If the delivery terms are not specified in the Order, deliveries shall be made DDP [KP's premises]. DDP shall be interpreted in accordance with the Incoterms valid on the date of the Order.

2.2. KP is not obligated to accept early deliveries, partial deliveries, excess deliveries or deliveries that do not comply with KP's packaging instructions or fail to include relevant documentation and/or certificates.

3. DELAY

3.1. Supplier shall use its best efforts to avoid delay in the delivery of Products. If Supplier has reason to believe that it will not be able to deliver Products at the agreed time of delivery, Supplier shall immediately notify KP thereof. However, such notice shall not relieve Supplier of its responsibility and liability to deliver on time.

3.2. If Supplier does not deliver the Products on the agreed time of delivery KP is entitled to liquidated damages as from the agreed delivery date. The liquidated damages amount to one (1) percent of the total order sum per week or fraction of a week of the delay. The liquidated damages cannot amount to more than ten (10) percent of the total order sum. The liquidated damages shall fall due for payment at KP's written demand. Part deliveries shall not exempt Supplier from liability pursuant to this provision.

3.3. Any delay beyond fourteen (14) days from the agreed delivery date is considered a material delay which entitles KP to terminate the Order as well as any Order which is related to the delayed Order.

3.4. Supplier's payment of liquidated damages due to delay does not exclude the right of KP to claim compensation for any direct loss in excess of the liquidated damages amount. This obligation on Supplier to compensate KP' loss shall exist irrespective of whether KP chooses to terminate the Order or not.

3.5. In the event of delay of products KP may request Supplier to deliver the products by the fastest means of transport. If KP's request is reasonable based on the potential implication on KP, Supplier shall meet KP' request. Any additional delivery charges in excess of those that would apply for the usual means of delivery shall be borne by Supplier.

4. PRICES AND PAYMENT

4.1. Unless expressly stated to the contrary, prices stated in an Order are (i) fixed and firm, (ii) exclusive of

VAT (if any), but including all other costs, including, but not limited to taxes, duties, levies, charges, travel costs, expenses, incidentals etc. and (iii) inclusive of the costs of packaging.

4.2. Payment terms are current month plus ninety (90) days from the date of undisputed invoice. All invoices shall be in English/German or Danish and state KP' order number and the agreed terms of payment. Invoices without this information are not payable and will be returned to Supplier. Invoices must be sent to K. P. Komponenter A/S, att.: Finance Department, Birkevej 2, DK-6971 Spjald, Denmark.

5. WARRANTY

5.1. Supplier warrants that Products delivered (i) are designed and manufactured in a professional and workmanlike manner; (ii) are fit for any normal or agreed purpose; (iii) are free from defects in design, materials and workmanship; (iv) comply with applicable law; and (v) comply with specifications and requirements agreed with KP, including safety and quality standards.

5.2. The Products shall comply with the warranties for (24) months from the Products are taken into use (as defined below) or from the date of delivery whichever is later, however no longer than thirty six (36) months from delivery of the Products. A Product is "taken into use" on the date the KP product, which include or integrate the Product in the KP delivery, is delivered to KP's customer.

5.3. Supplier shall without undue delay - at KP' discretion - credit, repair or replace defective Products at Supplier's cost and risk. Supplier shall reimburse KP any documented, direct loss incurred as a result of defective Products including, but not limited to, inspection costs, dismounting and mounting cost, freight, import and export duties, charges and taxes.

5.4. Defective Products that have been replaced at Supplier's cost shall be the property of Supplier and shall be returned to Supplier at Supplier's risk and cost if Supplier requests so within 30 days from Supplier's receipt of KP's complaint.

6. SERIAL FAILURE

6.1. If the same type of defect occurs, within the warranty period of the defective products and in minimum three (3) % of products or parts thereof, however always at least 10 units, manufactured to the same design, which have been delivered by Supplier to KP during any three (3) months' period, such defect is considered a "Serial Failure". All such products delivered to KP within the three months period are referred to as "Serial Failure Products".

6.2. Supplier shall without undue delay - at KP' discretion - repair or replace Serial Failure Products at Supplier's cost and risk. Supplier shall reimburse KP any documented loss incurred as a result of a Serial Failure including, but not limited to, project management costs, analysis costs, advertising costs, inspection costs, recall costs, freight, import and export duties, charges and taxes.

7. PRODUCT LIABILITY

7.1. Supplier shall indemnify and hold KP harmless from all claims and losses arising from personal injury or damage to property, provided that these are caused by defects in the Products. Supplier shall furthermore indemnify and hold KP harmless for losses and expenses incurred by KP in the course of averting risk for death, personal injury or damage to property caused by Products, e. g. issuing warnings or initiating preventive recall actions.

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- 7.2. If a product liability claim relating to Products is lodged by a third party against one of the parties the latter party shall without undue delay inform the other Party thereof in writing.
- 7.3 Supplier is obliged to let itself be summoned to the court or arbitrational tribunal examining claims for damages lodged against KP on the basis of damage allegedly caused by a Product.

8 INSURANCE

- 8.1. Supplier shall maintain and keep in force adequate business and products liability insurance, including recall covering the Products. The insurance is to be valid as minimum for the term of the Parties' business co-operation and for a period of five (5) years hereafter. Supplier shall upon request provide KP with an insurance certificate issued on name.
- 8.2. Supplier's insurance shall cover responsibility for damages to or losses concerning objects (incl. objects belonging to KP) that Supplier's products are (i) made part of, mixed with, incorporated in, joint with, used for packing of or in any other way connected with; or (ii) worked up with or used for working up of; or (iii) used for production or working up of or any kind of handling of.

9. SECONDARY DAMAGE

- 9.1. All claims for consequential losses, loss of production, loss of profit, loss of goodwill and any other indirect losses are expressly excluded. This limitation shall not apply in the event of (i) wilful misconduct or fraudulence, (ii) gross negligence, or (iii) in case of death or personal injury.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1. Supplier shall ensure that the Products, or the use or transfer thereof, shall not infringe any intellectual property rights of any third party (including, without limitation, any patent, trademark, industrial design, copyright or license right or trade secret). If claims based on the Products' infringement of intellectual property rights are made by a third party against KP and/or KP' customers and/or end-users of the Products or KP products of which the Products form part, Supplier shall indemnify KP for all damages, costs and expenses arising out of or in connection with such claim or infringement. KP shall without undue delay notify the Supplier of any such claim and allow the Supplier to either independently plead or to intervene in the proceedings regarding such infringement claim.
- 10.2. Should Products be found to infringe the intellectual property rights of a third party, Supplier shall, without cost to KP, modify the Products to be non-infringing or shall obtain and maintain such license and rights from the third party as are required for the unrestricted, continuous use of the Products.

11. FORCE MAJEURE

- 11.1. Neither party can be held responsible for non-fulfilment of an Order, provided the non-fulfilling party proves that this is caused by force majeure, including but not limited to labour conflict involving other than Supplier's employees, fire, export and import prohibitions, currency restrictions or other obstructions beyond its control, which could not reasonably have been avoided or limited.
- 11.2. The party intending to claim relief due to force majeure shall, in writing, without delay inform the other party of the obstruction(s) and the implication of this for the fulfilment of the Order. This party is furthermore obligated loyally to co-operate in miti-

gating the consequences of a force majeure situation.

- 11.3. In case the specific force majeure situation has not been terminated within two (2) months, the other party is entitled to terminate the Order by written notice with immediate effect without further liability

12. CONFIDENTIALITY

- 12.1. Any non-public information, including but not limited to prices, drawings, descriptions and any technical documents which KP has made or may make available to the Supplier ("**Confidential Information**") shall remain the property of KP and shall be treated as confidential by the Supplier and its representatives and must not, without the prior written consent of KP, be copied, reproduced or transferred to a third party or be used for other purposes than those intended when the Confidential Information was made available. Confidential Information shall be returned to KP upon request.

13. MISCELLANEOUS

- 13.1. Supplier shall comply with The United Nations Convention on the Rights of the Child and may not employ children under the age of 15 or children younger than any statutory minimum age or children of an age, which implies that they have not completed ninth grade (in Danish: *Folkeskolen*). Further, any young persons aged between 15 and 18 years may only be occupied within areas in accordance with national legislation and ILO's Convention concerning Minimum Age for Admission to Employment. KP complies with the "Ten Principles of the UN Global Compact" covering Human Rights, Labor, Environment and Anti-Corruption and requires that Supplier also complies with these principles.
- 13.2. KP reserves the right to visit the manufacturing site of Supplier with the objective to verify that ordered Products comply with the agreed specifications and other contractual requirements.

14. APPLICABLE LAW AND VENUE

- 14.1. These Terms and any Orders governed hereby shall be governed by the laws of Denmark to the exclusion of any other law and without regard to any conflict of laws principles).
- 14.2. Any dispute shall be settled by arbitration administered by The Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced. The place of arbitration shall be Copenhagen. The language to be used in the arbitral proceedings shall be English.

These General Terms and Conditions of Purchase enter into force on August 1st 2017.