

1 General

1.1 Unless otherwise stated in a specific purchase order or otherwise agreed in writing between the parties, these General Terms and Conditions for Purchase (GTCP), together with any issued purchase order, shall jointly apply to all purchases of goods (meaning products and materials) and services ("Deliverables") from the supplier ("Supplier") to SH Group A/S ("SHG").

1.2 SHG may amend the GTCP from time to time. No amendment shall apply to purchase order issued prior to the effective date of such amendment.

2 Orders

2.1 All orders are subject to acceptance by the Supplier. The Supplier has the right to refuse any order at its discretion within 5 days; otherwise, the order is deemed accepted.

2.2 Upon Supplier's acceptance of the purchase order, these GTCPs are deemed read, understood and unconditionally accepted. Any terms and conditions submitted by Supplier that are different from or additional to those contained in the purchase order are not accepted, unless specifically and expressly agreed in writing by a duly authorized representative of SHG.

3 Deliverables and Delivery

3.1 Supplier will provide the Deliverables as specified in the purchase order. Any deviations shall require SHG's prior written approval.

3.2 Delivery of goods shall be made in accordance with DAP (Incoterms® 2020) to the delivery address specified in the purchase order. Title to and risk in the goods shall pass from the Supplier to SHG upon physical delivery at the agreed delivery location.

3.3 Delivery of services shall be performed in accordance with the purchase order and any instructions issued by SHG. Services shall be deemed delivered upon SHG's written acceptance of the completed services following the Supplier's completion notice.

3.4 The delivery dates stated in the purchase order or agreed time schedule shall be binding and strictly observed.

3.5 SHG shall be entitled to inspect the Deliverables and to reject any Deliverables that are defective, non-conforming or otherwise not in compliance with the purchase order within a reasonable time after delivery or acceptance, as applicable. Acceptance or inspection shall not limit SHG's rights under these GTCP, including warranty and other remedies.

3.6 All packages and documents related to the purchase orders must be clearly marked with the purchase order number and the quantity of each item included in the delivery.

3.7 In the event of rejection of Deliverables, the Supplier shall, at SHG's option, promptly replace the rejected Deliverables or refund the purchase price. The Supplier shall bear all costs related to the rejection, including costs for return, transportation, handling and any reasonable additional costs incurred by SHG.

3.8 The Supplier shall not assign, transfer or subcontract, in whole or in part, any of its rights or obligations under these GTCP or any purchase order, nor any claims arising therefrom, without SHG's prior written consent.

4 Delay

4.1 If delivery does not occur within the agreed delivery time – except in cases where the delay is caused by SHG or a Force Majeure Event – SHG is entitled to receive liquidated damages equal to 5% of the total purchase order price per commenced week of delay, up to a maximum of 20% of the total purchase order price.

4.2 Without prejudice to SHG's right to liquidated damages, the Supplier shall indemnify SHG for all direct costs incurred by SHG which are a direct consequence of the Supplier's delay.

5 Prices

5.1 All prices shall be stated in DKK or EUR excluding VAT, unless otherwise specified in the purchase order. All prices are fixed and firm and shall not be subject to any adjustment or indexation, unless expressly approved in advance in writing by SHG.

6 Payment

6.1 Invoices shall be sent directly to SHG's Accounting Department as indicated in the purchase order or otherwise specified by SHG.

6.2 Payment shall be due end of month plus sixty (60) days from delivery of goods or acceptance of services, as applicable, and receipt of a complete and correct invoice.

6.3 SHG may set off or deduct any amount owed by the Supplier to SHG from the payment of any invoice.

6.4 The Supplier must invoice each individual purchase order from SHG separately. Consolidated invoices are not permitted. SHG reserves the right to reject invoices that do not comply with these instructions.

7 Modification

7.1 SHG may make a written request to Supplier for changes in the Deliverables, which shall not be unreasonably denied. Supplier shall, no later than five (5) days from such request, advise SHG of the estimated impact that the modification may have on the price and performance of the Deliverables and/or on the delivery schedule.

8 Warranty and Remediation

8.1 The Supplier warrants that for a period of twenty-four (24) months from delivery the Deliverables shall: (a) be performed and delivered in accordance with these GTCP, meet all agreed specifications and be fit for purpose and supplied or performed in accordance with good industry practices; (b) be provided using duly qualified, competent and skilled personnel, and with the use of appropriate and adequately maintained facilities, equipment, tools, software and other resources with sufficient capacity; (c) be of good quality and workmanship; (d) be free from faults, defects, deficiencies or non-conformities; and (e) be free from any liens, claims, pledges or other encumbrances.

8.2 The warranty shall cover all costs related to the repair or replacement of the defective goods, including transportation cost. However, any additional transportation costs incurred for remedying a defect where the Deliverables are located elsewhere than the agreed place of delivery shall be borne by SHG.

8.3 If the Supplier fails to carry out the repair within the timeframe specified by SHG, SHG may, upon prior written notice, perform the repair itself or procure the repair from a third party, at the Supplier's cost and expense. SHG shall allow reasonable time for repair or replacement, considering the nature of the Deliverables. If significant defects remain after the Supplier has implemented corrective measures, SHG may choose to cancel the order and request full reimbursement.

8.4 If the Deliverables include services that, upon performance, do not comply with the warranty, the Supplier shall, at SHG's option and at no cost to SHG, promptly re-perform the services in accordance with these GTCP and the applicable purchase order to ensure compliance with the warranty. If the Supplier fails to do so within a reasonable time specified by SHG, SHG may, at its option and upon prior notice to the Supplier, procure substitute services from a third party or perform the services itself, at the Supplier's cost and risk.

8.5 For new equipment or components repaired or replaced under the warranty, either an additional warranty of 6 months from the date of repair or replacement or the original warranty period shall apply, whichever is longer. The terms for such repair work shall be the same as for the original Deliverables.

8.6 Hidden or latent defects existing at the time of delivery shall be covered by Supplier irrespective of the warranty period, subject to prompt notice after discovery.

8.7 The warranty rights under this clause do not affect any other rights of SHG under these GTCP or under applicable law.

9 Product Liability

9.1 The Supplier shall be liable for product liability in accordance with mandatory applicable law.

9.2 The Supplier shall indemnify and hold SHG harmless against any third-party claims arising out of or in connection with Products included in the Deliverables that cause death, personal injury or damage to property, to the extent such damage is attributable to a defect in the Products.

9.3 SHG shall notify the Supplier without undue delay of any such claim. The Supplier shall, at its own cost, be entitled to conduct the defence and settlement of the claim, provided that no settlement may be entered into without SHG's prior written consent where such settlement imposes any obligation on SHG.

10 Consequential Damages

10.1 In no event shall either party be liable for loss of profits, consequential, indirect, incidental or special (including multiple or punitive) damages arising from this agreement. This exclusion shall not apply to liability arising from wilful misconduct or gross negligence.

11 Insurance

11.1 The Supplier shall, at its own cost, take out and maintain insurance with reputable insurers covering its obligations under the purchase order for the duration of the contract period.

11.2 Such insurance shall include, as a minimum (a) commercial General Liability Insurance, including product liability, customary for the type and scope of the Deliverables supplied; and (b) Employer's Liability Insurance as required by applicable law.

11.3 The insurance shall cover any liability arising out of or in connection with the supply of the Deliverables, including personal injury, damage to property, and product liability, to the extent such liability cannot be excluded under applicable law. Where services are performed at SHG's or a third party's site, the Supplier shall ensure that its insurance covers such on-site activities.

11.4 Upon request, the Supplier shall provide SHG with reasonable evidence of the required insurance coverage.

11.5 The Supplier's obligation to maintain insurance shall not limit or affect the Supplier's liability under the Purchase Order.

12 Intellectual Property Rights

12.1 Each party retains ownership of its pre-existing intellectual property rights ("Background IP").

12.2 To the extent the Deliverables include Supplier Background IP, the Supplier grants SHG a perpetual, worldwide, royalty-free licence to use, operate, maintain and resell (as part of SHG products, if applicable) the Deliverables for SHG's business purposes.

12.3 Any intellectual property specifically developed for SHG under a purchase order and paid for by SHG ("Foreground IP") shall vest in SHG, unless otherwise agreed in writing.

12.4 The Supplier warrants that the Deliverables do not infringe third-party IP rights and shall indemnify SHG against third-party IP infringement claims to the extent attributable to the Deliverables.

13 Termination

13.1 SHG may cancel the purchase order, in whole or in part, for convenience by written notice to the Supplier at any time prior to shipment/dispatch of the Deliverables.

13.2 In the event of cancellation for convenience pursuant to above clause, SHG shall only be liable to pay for the Supplier's documented, reasonable and unavoidable direct costs incurred specifically for the cancelled part of the purchase order up to the effective date of cancellation, provided that such costs cannot be mitigated. In no event shall SHG be liable for lost profit, loss of business, overheads or any indirect or consequential loss.

13.3 SHG may terminate the purchase order, in whole or in part, with immediate effect by written notice, in which case SHG shall be entitled to cancel the purchase order or a full refund of any amounts paid for Deliverables, if the Supplier: (a) materially breaches the purchase order or these GTCP and fails to remedy such breach within ten (10) days of receiving written notice, where the breach is capable of remedy; (b) fails to deliver the Deliverables in accordance with the agreed delivery time and such delay is not remedied within a reasonable time specified by SHG; (c) delivers non-conforming Deliverables and fails to repair or replace them within a reasonable time specified by SHG; (d) becomes insolvent, enters into liquidation, bankruptcy, restructuring, composition with creditors, or is otherwise unable to pay its debts as they fall due; or (e) breaches applicable laws or compliance requirements, including export control, sanctions, anti-bribery, SHG code of conduct or similar regulations.

14 Force Majeure

14.1 Neither party shall be liable for any failure or delay in the performance of its obligations under these GTCP to the extent such failure or delay is caused by an event beyond the reasonable control of the affected party, which could not reasonably have been foreseen or avoided ("Force Majeure Event").

14.2 Force Majeure Events shall include, but not be limited to, acts of God, natural disasters, war, terrorism, riots, civil unrest, epidemics or pandemics, governmental acts or restrictions, export or import restrictions, strikes or other labour disturbances (excluding strikes or labour disputes affecting only the affected party), and failures of utilities or transport networks.

14.3 The affected party shall notify the other party in writing without undue delay of the occurrence of a Force Majeure Event, including its expected duration and impact on performance, and shall use all reasonable efforts to mitigate the effects of the Force Majeure Event.

14.4 During the continuance of a Force Majeure Event, the affected party's obligations shall be suspended to the extent affected by the Force Majeure Event. If a Force Majeure Event continues for more than thirty (30) days, SHG shall be entitled to cancel or terminate the purchase order, in whole or in part, without liability.

15 Export and Sanctions Compliance

15.1 The Supplier shall comply with all applicable export control and sanctions laws and regulations in connection with the supply of the Deliverables.

15.2 Upon request, the Supplier shall provide SHG with all information reasonably required for compliance purposes, including (as applicable) the export control classification of the Deliverable, relevant licence requirements, and country of origin information.

15.3 If a required export licence, authorisation or approval is not obtained, is revoked, or becomes unavailable, SHG may cancel or terminate the Purchase Order, in whole or in part, without liability.

15.4 The Supplier shall promptly notify SHG if it becomes aware of any circumstance that may affect compliance with this clause.

16 Audit and Access

16.1 SHG shall have the right, upon reasonable prior notice and during normal business hours, to audit and inspect the Supplier's facilities, processes, quality management systems and records to the extent relevant to the Deliverables, for the purpose of verifying compliance with the purchase order and these GTCP.

16.2 SHG shall be entitled to conduct such audits and inspections together with its customers or other third parties, provided that such third parties are subject to appropriate confidentiality obligations.

16.3 The Supplier shall provide access, assistance and information in connection with any such audit or inspection and shall promptly implement any reasonable corrective actions identified as a result thereof.

17 Compliance with Laws

17.1 The Supplier shall comply with all applicable laws and regulations, including but not limited to applicable health, safety and environmental (HSE) regulations, requirements relating to human rights, anti-corruption and environmental protection, SHG's Code of Conduct (*available at SHG's website*) or equivalent principles. Any material breach shall be promptly notified to SHG.

18 Confidentiality

18.1 The Supplier shall keep confidential all non-public information received from SHG in connection with the purchase order and shall not disclose such information to third parties without SHG's prior written consent.

19 Miscellaneous

19.1 These GTCP, together with the applicable purchase order, constitute the entire agreement between the parties in relation to the subject matter and supersede all prior agreements or understandings.

19.2 The Supplier shall comply with all applicable laws and regulations in connection with the performance of the purchase order.

19.3 No amendment or modification of these GTCP or any Purchase Order shall be valid unless made in writing and signed by authorised representatives of both parties

19.4 Failure by SHG at any time to enforce any provision of these GTCP shall not be deemed a waiver of SHG's right to enforce such provision at a later time.

19.5 If any provision of these GTCP is held to be invalid or unenforceable, such provision shall be severed and the remaining provisions shall remain in full force and effect.

19.6 Nothing in these GTCP shall be construed as creating a partnership, agency or joint venture between the parties.

19.7 Clauses which by their nature are intended to survive termination of the purchase order shall survive such termination.

20 Governing Law and Disputes

20.1 These GTCP shall be governed by and construed in accordance with the laws of Denmark, excluding its conflict of law rules.

20.2 The Parties shall first seek to resolve any dispute amicably. Failing such resolution, any dispute shall be finally settled by arbitration administered by the Danish Institute of Arbitration in accordance with its rules.

20.3 The arbitration shall be conducted by a sole arbitrator appointed by the Institute. The seat of arbitration shall be Copenhagen, Denmark, and the language of the arbitration shall be English. The arbitral award shall be final and binding on the Parties.