

# General Purchase Conditions

## 1 Application

- 1.1 These General Purchase Conditions apply for the supply of goods and services by the Supplier to the companies of SANOVO TECHNOLOGY GROUP, when the parties have agreed thereto in writing, e.g. in a contract or if referred to in a purchase order confirmed by the Supplier.
- 1.2 Any modifications of or deviations from these General Purchase Conditions must be agreed in writing, as well as any general conditions (or the like) of the Supplier are not applicable unless agreed explicitly in writing.

## 2 Definitions

<i>STG</i>	SANOVO TECHNOLOGY A/S, Datavej 3, 5220 Odense, (SANOVO TECHNOLOGY GROUP) headquartered in Denmark with production entities in Denmark, the Netherlands and Italy.
<i>The Purchaser</i>	The purchasing entity of STG, located either in Denmark, Italy, or The Netherlands and the issuer of the specific Purchase Order.
<i>The Supplier</i>	A natural person or legal entity entering into an agreement with the customer.
<i>The Agreement</i>	The contractual relationship between STG/the Customer and the Supplier agreed to in writing, including but not limited to these conditions.
<i>The Products</i>	The goods or services sold and delivered by the Supplier and described in purchase orders, if no specific supply contract has been made to include appendices.
<i>Force Majeure</i>	An event, which is not foreseeable and is beyond the control of the Parties and which could not have been prevented or overcome by reasonable efforts of the inhibited Party, including but not limited to the following circumstances: fire, strike, war, insurrection, requisition, seizure, embargo, restrictions in the use of power, currency and export restrictions, epidemics, pandemics, natural disasters, cyber-attacks, extreme natural events or terrorists' acts.
<i>Purchase Order</i>	An official document issued by the Purchaser committing to pay the Supplier for the sale of the Products to be delivered in the future.

*Order Confirmation* A document that is sent from the Supplier to the Purchaser confirming that the order has been received and accepted in accordance with the Purchase Order.

### **3 Scope**

- 3.1 The Supplier shall sell and deliver the Products stipulated in the Purchase Order/Order Confirmation and the Purchaser shall buy the Products, all in accordance with the Agreement.
- 3.2 No exclusivity or similar rights of any kind are granted to the Supplier. The Purchaser is entitled to purchase goods from other vendors at its own discretion.

### **4 Quality of goods**

- 4.1 If the Purchaser has not specified the quality of the Products ordered, the Supplier shall deliver Products fit for the purposes of which Products of the same description would ordinarily be used; fit for any particular purpose expressly or impliedly made known to the Supplier at the time of purchase; and possess the qualities of Products which the Supplier has held out to the Purchaser as a sample or model.
- 4.2 The Product shall be labelled, packed, and shipped in accordance with the regulations in force in the EU or the country to which it is delivered and with the reasonable requirements to prevent damage during transport with due care to the attributes of the Product.
- 4.3 The Product shall comply with local regulations and standards of the markets in which they are sold and to which they are delivered.
- 4.4 The Supplier warrants that the delivery does not infringe third-party intellectual property rights.
- 4.5 The Product, in so far as applicable, must comply with the EU Machinery Directives and EMC directives and must be provided with CE marking. Products marked with a CE mark shall also include a manual in the language(s) of the country of delivery.

### **5 Quality of services**

- 5.1 The Supplier warrants that it has the experience, skills, and resources to perform the services in accordance with the Agreement.
- 5.2 The Supplier shall ensure there are at all times sufficient, competent, and properly trained staff, agents or sub-contractors employed or engaged in, and adequate resources made available for, the provision and performance of the services.

5.3 The Supplier warrants that the performance of the services will not infringe the rights of any third party.

## **6 Prices**

6.1 Prices specified in the Purchase Order are fixed. Adjustments can only be made with prior written agreement between the Supplier and the Purchaser.

6.2 Any handling fee, transportation costs, etc., which is not expressly included in the Purchase Order, will not be accepted.

## **7 Invoicing and payments**

7.1 Invoices must be submitted in PDF to the relevant Purchaser at one of the following addresses:

Denmark: invoices.dk@sanovogroup.com

The Netherlands: invoices.nl@sanovogroup.com

Italy: invoices.it@sanovogroup.com

7.2 The payment terms are 60 days calculated from the actual delivery date, but not earlier than the agreed delivery date.

7.3 Payment for disputed invoice(s) may be withheld by the Purchaser until the dispute is settled, however, the Supplier is not in any case entitled to suspend performance of its obligations, where the Purchaser reasonably disputes an invoice or a claim.

7.4 Due payment(s) to the Supplier may be set off in any amount the Supplier owes the Purchaser.

## **8 Transfer of title**

8.1 The transfer of title takes place upon delivery without prejudice to the Purchaser's right to reject the Products.

## **9 Purchaser's right to cancellation of standard products**

9.1 The Purchaser may cancel any Purchase Order or Order Confirmation in whole or in part up until two weeks before the agreed delivery time. Any payment made before the cancellation in relation to the cancelled part of the order shall be refunded for the full amount.

9.2 Clause 9.1 does not apply to the purchase of Products (goods or services) that are customized by the Supplier to the Purchasers needs.

## **10 Delivery**

- 10.1 Delivery shall be DDP (Delivered Duty Paid, INCOTERMS 2020) at the place and time stated in the Purchase Order, Order Confirmation or otherwise agreed in writing.
- 10.2 The Purchaser has the right to postpone delivery. In case of postponement, the Supplier must ensure proper packaging, separate and identifiable storage, preservation, safeguarding and insurance of the Products. Any fair and reasonable expenses incurred by the Supplier for this purpose shall be compensated by the Purchaser, following prior written approval by the Purchaser.
- 10.3 Partial delivery and/or advance delivery is only permitted when approved by the Purchaser.
- 10.4 Time is of the essence with respect to all deliveries under the Agreement.

## **11 Delay**

- 11.1 If it becomes apparent to the Supplier that the Supplier cannot deliver on time, the Supplier shall immediately notify the Purchaser in writing including the circumstances of the delay, actions taken to minimize the effects of the delay and the new expected delivery time.
- 11.2 If the Supplier fails to deliver the Product on time, the Purchaser may by notice in writing to the Supplier fix an extended final reasonable delivery time. If such extended delivery time has been set, but does not take place, the Purchaser may immediately terminate the purchase by notice to the Supplier.
- 11.3 If the Purchaser chooses to maintain the purchase, cf. Clause 11.2, the Supplier is obliged to pay liquidated damages to the Purchaser of 5 % (five percent) of the total order price as invoiced for each commenced week of exceeding the originally agreed delivery time for a maximum of 4 (four) weeks. The Purchaser is always entitled to terminate the purchase if delivery has not been made within 4 (four) weeks after the originally agreed delivery time.
- 11.4 If the Purchaser terminates the purchase pursuant to Clause 11.2 or 11.3, the Purchaser is entitled to compensation from the Supplier for the increased costs he may incur in procuring a substitute product from another source provided that the Purchaser proceeds in a reasonable manner. If the procurement of a substitute succeeds, the Purchaser is hereby excluded from any other claim for compensation in respect of the Supplier's failure to deliver in time.
- 11.5 In any case, the Customer is entitled to damages for any loss in excess of the liquidated damages that the Customer may render probable to have suffered due to the Supplier's delay.

## **12 Inspection**

- 12.1 The Purchaser is entitled to inspect (or to have a representative inspect) the Products during production, processing, storage and / or the following delivery. This also applies to Products delivered by any sub-contractors.
- 12.2 The inspection will be arranged between the Parties after notification by the Purchaser about the inspection in timely manner.
- 12.3 An inspection, whether carried out by the Purchaser or a representative of the Purchaser, does not prejudice the Purchaser's claims against the Supplier if the Supplier fails to meet his obligations.

## **13 Defects and non-conformity**

- 13.1 The Supplier's liability for non-conformities and defects is limited to two years after the date of delivery of the Product. The Purchaser shall, after the appearance of any non-conformity or defect, without undue delay notify the Supplier.
- 13.2 If a material non-conformity or defect is discovered before shipment to the Purchaser's customer, the Purchaser may either:
- terminate the purchase,
  - have the defect or non-conformity remedied by the Supplier,
  - get a replacement Product from the supplier or
  - get a refund for a proportional reduction of the purchase price.
- 13.3 The Purchaser is entitled to terminate the purchase if the non-conformity or defect has not been remedied within 4 weeks after the Purchaser's notice. This also applies regardless of the significance of the defect or non-conformity (material or non-material).
- 13.4 If the defect or non-conformity is not discovered until after shipment to the Purchaser's customer, the Purchaser may arrange for a replacement or repair by a third party at the expense and risk of the Supplier. The Purchaser is obliged to use its best efforts to mitigate the expenses and is only entitled to claim a refund of reasonable and documented expenses.
- 13.5 Without prejudice to the choice of remedies for breach of contract stipulated in Clause 13.2-13.4, the Purchaser is entitled to damages for any loss the Purchaser may render probable to have suffered due to the Supplier's breach of contract.

## **14 Product liability**

- 14.1 The Supplier shall indemnify Purchaser and hold Purchaser harmless from and against all product liability to third parties for personal injury, property damage and other losses caused by any negligent acts and/or defects in the Products delivered by the Supplier, including any costs for legal proceedings.
- 14.2 Neither Party shall be liable towards the other Party for loss of production, loss of profit or any other consequential economic loss unless in matters where the Party is guilty of gross negligence.
- 14.3 The Parties are obliged to appear before any court or arbitral tribunal to which actions for damages has been filed by a third party.
- 14.4 The Parties are obliged to take out product liability insurance with a coverage corresponding to the risk related to their obligations. The Parties may at any time demand to see the insurance policy and receipt for the latest payment of premium. If a Party does not comply with the request within two weeks, the requesting Party is entitled to terminate the Agreement in writing with immediate effect.

## **15 Force Majeure**

- 15.1 In the event of Force Majeure, the parties are released from their respective obligations for as long as the Force Majeure persists, unless it can be shown that the Party ought to have been able to predict such event at the time of entering into the Agreement.
- 15.2 The party claiming to be influenced by Force Majeure shall notify the other party without delay on the intervention and on the cessation of such circumstance. If a party fails to give such notice, the other party shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.
- 15.3 Both Parties are entitled to terminate the Agreement if the Agreement has not been fulfilled for a period of more than two months due to Force Majeure.

## **16 Compliance**

- 16.1 If a Product includes American technology, which is subject to US Export Administration Regulations, i.e. export regulations of the EU or an EU Member-State, then the Supplier shall be obliged to inform the Purchaser in accordance with the corresponding rules. The Supplier shall pay any costs incurred by the Purchaser arising from the Supplier's failure to comply with the provisions of this article.
- 16.2 The Supplier warrants that any Products that are dual-use items; goods, software and/or technology that can be used for both civilian and military applications, will be declared in writing

no later than before concluding a sale of such item. If a dual-use item is not declared, the Supplier shall hold the Purchaser harmless notwithstanding Clause 14.2.

- 16.3 The Supplier must comply with STG's *Code of Conduct* as amended from time to time, available at [www.sanovogroup.com](http://www.sanovogroup.com).
- 16.4 If stipulated in a contract, Purchase Order or otherwise in writing by STG or the Purchaser, the Supplier must comply with STG's *Guidelines for Suppliers of Mechanical Parts* as amended from time to time, available at [www.sanovogroup.com](http://www.sanovogroup.com).
- 16.5 If stipulated in a contract, Purchase Order or otherwise in writing by STG or the Purchaser, the Supplier must comply with STG's *Supplier Requirements Food Contact Materials* as amended from time to time, available at [www.sanovogroup.com](http://www.sanovogroup.com).

## **17 Termination**

- 17.1 STG and the Purchaser are entitled, without notice of default or judicial intervention being required, to cancel the Agreement in full or in part in the case of:
- a) the Supplier's insolvency, including but not limited to initiation of liquidation proceedings, bankruptcy proceedings, reconstruction, proceedings etc.,
  - b) the Supplier's bankruptcy,
  - c) any circumstances arise, which may give STG or the Purchaser reasonable doubt as to the Supplier's continuity regarding his obligations towards STG and / or the Purchaser. Should this situation arise, then pursuant to the provisions, the Supplier shall be liable for full damage compensation, or
  - d) the Supplier is taken over by a (market) party with which STG or the Purchaser does not wish to associate.
- 17.2 In case of Termination of the Agreement or a part thereof, neither STG nor the Purchaser shall be held liable for any compensation of the Supplier.

## **18 Choice of law and jurisdiction**

- 18.1 Any dispute arising out of or in connection with the Agreement, including any disputes regarding the existence, validity, or termination thereof, shall be settled by arbitration in the country where the Purchaser is domiciled, and the substantive law of the same country shall govern the Agreement.
- 18.2 If the Purchaser is domiciled in the Netherlands, the seat of arbitration shall be Amsterdam, the language shall be in English and the arbitration shall be finally settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute. The number of arbitrators shall be three.

- 18.3 If the Purchaser is domiciled in Italy, the seat of arbitration shall be Milan, the language shall be in English and the arbitration shall be finally settled in accordance with the Arbitration Rules of the Milan Chamber of Arbitration. The number of arbitrators shall be three.
- 18.4 If the Purchaser is domiciled in Denmark, the seat of arbitration shall be Copenhagen, the language shall be in English and the arbitration shall be finally settled in accordance with the Arbitration Rules of the Danish Institute of Arbitration. The number of arbitrators shall be three.