



General Purchase Conditions

1. Definitions

- 1.1. *“STG”* SANOVO TECHNOLOGY GROUP. STG’s headquarter is located in Denmark and has entities in the Netherlands and Italy.
- 1.2. *“Customer”* The buying entity of STG located in either Denmark, the Netherlands or Italy.
- 1.3. *“Supplier”* A natural person or legal entity entering into an agreement with the Customer.
- 1.4. *“The Agreement”* The contractual relationship between STG/the Customer and the Supplier agreed to in writing, including but not limited to these conditions.
- 1.5. *“Items”* The traded items, processed items and / or assembly of items to be delivered by the Supplier.

2. Application

- 2.1. These General Purchase Conditions apply 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. Any modifications of or deviations from these General Purchase Conditions must be agreed in writing.
- 2.2. The Supplier’s standard terms and conditions of purchase or the like (if any) are not applicable to the Agreement, unless STG / the Customer has agreed in writing to that effect.

3. Supplier’s obligations

- 3.1. The Supplier is obliged to deliver the Items stipulated in the Purchase Order.

- 3.2. If the Customer has not specified the quality of the Items ordered, the Supplier shall deliver Items fit for the purposes for which Items 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 items which the Supplier has held out to the STG/Customer as a sample or model.
- 3.3. The Supplier must ensure that all Items are packed and labelled in good and proper manner.

4. **Prices**

- 4.1. Prices specified in the Purchase Order are fixed and adjustments can only be made with prior written agreement between the Supplier and the Customer.
- 4.2. Any handling fee, transportation costs, etc., which is not expressly included in the Purchase Order, will not be accepted.

5. **Invoicing and Payments**

- 5.1. Invoices must be submitted as PDF-file and sent to the following addresses:
- Denmark: invoices.dk@sanovogroup.com
The Netherlands: invoices.nl@sanovogroup.com
Italy: invoices.it@sanovogroup.com
- 5.2. The payment terms are 60 days calculated from the actual delivery time, but not earlier than the agreed delivery time.
- 5.3. In case of dispute of an invoice, the Customer may withhold the payment regarding that invoice.
- 5.4. The Supplier must not in any case be entitled to suspend its performance of its obligations, where the Customer disputes an invoice or a claim.

5.5. The Customer is entitled to deduct from the purchase price any amount that the Supplier owes the Customer.

6. **Transfer of ownership**

6.1. The transfer of ownership takes place upon delivery without prejudice to the Customers right to reject the Items.

7. **Customer's right to cancellation**

7.1. The Customer has the right to cancel the entire or parts of the Purchase Order up to two weeks prior to the agreed delivery time.

7.2. If the Customer makes use of the right to cancel, see 7.1, all rights and obligations in respect of the cancelled Purchase Order cease to apply. The Supplier is therefore obliged to pay back any payments received from the Customer regarding said Purchase Order.

7.3. This clause 7 does not apply to the purchase of Items customized by the Supplier in accordance with the Purchase Order.

8. **Time and place of Delivery**

8.1. All deliveries are DDP – “Delivered Duty Paid” (Incoterms 2010) at the delivery place and time stated in the Purchase Order or agreed in writing.

8.2. Only deliveries made at the agreed delivery time may be considered on time.

8.3. The Customer 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 Items. Any fair and reasonable expenses incurred by the Supplier for this purpose shall be compensated by the Customer, following prior written approval by the Customer.

8.4. Part shipments and advance shipments will require explicit prior approval by the Customer.

9. Compliance with laws, regulations, guidelines etc.

9.1. The delivery and the Items shall comply with legal and statutory provisions in force at the time of delivery in the country where the Customer is domiciled.

9.2. The Supplier guarantees that the delivery does not infringe any third party intellectual property rights.

9.3. The delivery, in so far as applicable, must comply with the legally laid down machine directives and EMC directives and be provided with CE marking. The Supplier must always be willing to provide a manual in the language(s) of the country of delivery.

9.4. If an Item 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 Customer in accordance with the corresponding rules. The Supplier shall pay any costs incurred by the Customer arising from the Supplier's failure to comply with the provisions of this article.

9.5. The Supplier is obliged to comply with STG's *Code of Conduct* in force from time to time, which is available at the website www.sanovogroup.com.

9.6. If stipulated in a contract, Purchase Order or otherwise in writing by STG / the Customer, the Supplier is obliged to comply with STG's *Guidelines for Suppliers of Mechanical Parts* in force from time to time, which can be found on the website www.sanovogroup.com.

9.7. If stipulated in a contract, Purchase Order or otherwise in writing by STG / the Customer, the Supplier is obliged to comply with STG's *Supplier Requirements Food Contact Materials* in force from time to time, which can be found on the website www.sanovogroup.com.

10. Inspection

- 10.1. The Customer is entitled to inspect (or to have inspected) the Items during production, processing, storage and / or the following delivery. This also applies to Items delivered by any sub-contractors.
- 10.2. The Customer will notify the Supplier about the inspection in timely manner.
- 10.3. An inspection, whether or not carried out by the Customer, does not prejudice the Customer's claims against the Supplier, if the Supplier fails to meet his obligations.

11. Delay

- 11.1. Where the Supplier is in delay, the Supplier shall immediately notify the Customer in writing including circumstances of the delay, actions taken to minimize the effects of the delay and new expected delivery time.
- 11.2. In the event of delay, the Customer is entitled to terminate the delayed purchase without notice.
- 11.3. If the Customer chooses to maintain the purchase, the Supplier is obliged to pay liquidated damages to the Customer of 5 % of the total order price as invoiced for each commenced week of the delay. However, the total of the liquidated damages shall not exceed 20 % of the total order price as invoiced.
- 11.4. If the Customer initially chooses to maintain the purchase despite the Supplier's delay, the Customer is entitled to terminate the purchase, if the Supplier has not delivered within 4 weeks of the originally agreed delivery 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. Defects and non-conformity

- 12.1. If the Customer within two (2) years after delivery discovers that the delivered Items are defective or non-conform, the Customer must without undue delay give the Supplier notice of the defect or non-conformity.
- 12.2. If the delivered Items are defective or non-conform and this is discovered before shipment to the Customer's customer, the Customer is entitled to either terminate the purchase, demand the defect or non-conformity remedied, demand replacement delivery or a proportional reduction of the purchase price. However, the Customer may not terminate the delivery if the defect or non-conformity is deemed non-essential.
- 12.3. If, 4 weeks after the Customer's notice of defect or non-conformity, the delivery is still defective or non-conform, the Customer is entitled to terminate the purchase. This also applies if the defect or non-conformity is deemed to be non-essential.
- 12.4. If the defect or non-conformity is not discovered until after shipment to the Customer's customer, the Customer has the right to arrange for repair or replacement by a third party at the expense and risk of the Supplier. The Customer is obliged to use its best efforts to mitigate the expenses and is only entitled to claim a refund of reasonable expenses.
- 12.5. Regardless of which of the remedies for breach of contract stipulated in 12.2 - 12.4 the Customer chooses, the Customer is entitled to damages for any loss the Customer may render probable to have suffered due to the Supplier's breach of contract.

13. Product liability

- 13.1. If the Customer is met by claims from third parties regarding damages directly or indirectly caused by the Supplier's Items, the Supplier is obliged to indemnify the Customer from any loss that may be attributed fully or partly to the Supplier's Items, including any costs for legal proceedings. The Supplier is further obliged to appear before any court or arbitral tribunal to which actions for damages has been filed by a third party.

13.2. The Supplier is obliged to take out product liability insurance with a coverage corresponding to the risk connected to the Supplier's delivery. The Customer may at any time demand to see the insurance policy and receipt for the latest payment of premium. If the Supplier does not comply with the Customer's request within two weeks, the Customer/STG is entitled to terminate the Agreement.

14. Force Majeure

14.1. In the event of a 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.

14.2. 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.

15. Suppliers default / Termination of the Agreement

15.1. STG and the Customer 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 Customer reasonable doubt as to the Supplier's continuity with regard to his obligations towards STG and / or the Customer. 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 Customer does not wish to associate.

15.2. In case of Termination of the Agreement or a part thereof, neither STG nor the Customer shall be held liable for any compensation of the Supplier.

16. Choice of law and jurisdiction

16.1. 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 Customer is domiciled, and the substantive law of the same country shall govern the Agreement.

16.2. If the Customer 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.

16.3. If the Customer 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.

If the Customer 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