

General Purchase Conditions - Goods and Materials

1 Scope / General Information

- 1.1 These general purchase conditions (the "GPC") shall apply to all purchase of goods and materials (the "Delivery") made by Veltec Industrial Services A/S Ringsted, Denmark (DK reg.no CVR-89966310) and Veltec AS Mongstad, Norway (NO reg.no. 971410434), hereinafter jointly referred to as Veltec.
- 1.2 The GPC applies to all deliveries unless other written agreement has expressly been made between Veltec and the supplier of the Delivery (the "Supplier").
- 1.3 General terms and conditions of the Supplier do not become part of the agreement, unless Veltec expressly agrees to the validity of such general terms and conditions in writing.
- 1.4 Moreover, the GPC shall also apply and shall take precedence even if Veltec has accepted general terms and conditions of the Supplier that conflict with or deviate from the GPC.

2 Purchase orders / Assignment to third parties

- 2.1 Only purchase orders ("PO") placed or confirmed in writing by Veltec shall be effective.
- 2.2 The PO, inclusive of the GPC, shall be regarded as accepted in full, unless the Supplier sends Veltec a written declaration to the contrary within 15 days after receipt of the PO.
- 2.3 The Supplier may only assign third parties to fulfill the PO in full or in part with Veltec's prior written approval.

3 Amendments to the PO

- 3.1 Veltec shall be entitled to require the Supplier to make reasonable amendments to the design and scope of the Delivery.
- 3.2 The effects of the amendment as to additional or reduced costs as well as on delivery times and periods shall be regulated amicably.
- 3.3 Amendments and/or additions to the PO shall require the written understanding between Veltec and the Supplier.

4 Delivery times and periods / Delay

- 4.1 The agreed delivery times and periods shall be binding. Any circumstances which prevent the delivery time or period from being met shall be notified to Veltec in writing immediately stating the cause for the delay, new delivery time and the measures which the Supplier intends to implement in order to avoid, limit or recover the delay.
- 4.2 In the event of a delay due to circumstances for which the Supplier is responsible, Veltec shall be entitled to claim, without proof of damage, a lump sum of 0.5% of the total PO value for each full week of delay, but not exceeding 5% of the total PO value, unless otherwise expressly agreed.
- 4.3 In case of damages in excess of the liquidated damages, Veltec shall be entitled to claim any of his legal rights for delay, including claims for indirect loss, loss of profit and loss of production. In particular, Veltec shall be entitled to claim damages instead of the Delivery after the unsuccessful expiry of a reasonable respite. In this case, Veltec shall also be entitled to purchase replacements and to charge the additional costs to the Supplier. Any penalty that has already been paid will be deducted from further claims for damages.
- 4.4 The acceptance of the delayed Delivery shall not be construed as a waiver of claims for compensation. It is also to be paid even if no express reservation is declared upon acceptance of the Delivery.

5 Delivery / Transfer of risk

- 5.1 Unless otherwise stated in the PO, terms of delivery shall be DDP (Incoterms 2020).
- 5.2 The place of delivery shall be as stated in the PO and every Delivery shall be accompanied with a delivery note and a reliable and complete packing list.
- 5.3 The Supplier shall bear the risk of accidental loss and accidental deterioration of the Delivery until the items are due delivered to Veltec.

6 Insolvency of the Supplier

- 6.1 If the Supplier or one of its creditors applies for the opening of insolvency proceedings regarding the Supplier's assets, Veltec may, without prejudice to its other legal or contractual rights, at its option terminate the PO and/or enter into the Supplier's contracts with its subcontractors.

7 Quality assurance and inspection

- 7.1 The Supplier shall undertake to ensure permanent quality assurance of the Delivery by a documented and functioning quality assurance system.
- 7.2 During the manufacturing the Supplier shall ensure that all relevant tests and inspections are carried out and documented.
- 7.3 Veltec or a third party appointed by Veltec shall have the right to see for itself how these tests and inspections are carried out at Supplier's or Sub-supplier's plant/premises, as the case may be.
- 7.4 The Supplier is obliged to provide test reports and other relevant documentation as part of the Delivery.

8 Prices / Terms of payment

- 8.1 Prices are fixed, binding and based on DDP delivery (Incoterms 2020), unless otherwise agreed in writing, and are inclusive solid and effective packing suitable for the chosen method of transport.
- 8.2 Payments shall be made within free delivery month plus 30 days after Veltec's receipt and acceptance of the Delivery and receipt of a verifiable and correct invoice.
- 8.3 Claims cannot be assigned to third parties without the prior express written approval from Veltec.

- 8.4 Payments without reservation shall not constitute an acceptance or an approval of the Delivery or a waiver of claims, including warranty claims.

9 Warranty obligations

- 9.1 The Supplier shall warrant to Veltec that the Delivery is free from defects in quality and quantity and defects in title.
- 9.2 Veltec shall notify the Supplier of the Delivery's defects, variances in type and quantity without delay as soon as they are detected in the normal course of business. If a period of 2 weeks from completion of the Delivery is adhered to, the Supplier may not claim late notice of defect in any case.
- 9.3 The Supplier is responsible for all defects in the Delivery and shall rectify the defect as soon as possible at his own cost.
- 9.4 Any defects found shall in urgent cases or for the purpose of reducing the damage, at the Supplier's expense, be repaired by Veltec or by third parties, with the Supplier having to reimburse Veltec all costs related hereto.
- 9.5 Veltec shall be entitled to claim damages in full, including for indirect loss, loss of profit and loss of production.
- 9.6 Claims of liability for defects shall become time-barred after 5 years from due and proper delivery if the period of limitation is not suspended, unless otherwise stated in the PO. In case of rectification through replacement or repair of defects a new 5 year period shall apply for the relevant replaced/repaired goods and materials.
- 9.7 A notice of defect suspends the limitation period for warranty claims regarding the Delivery concerned. The suspension ends when rectification has been successfully carried out and accepted by Veltec.

10 Product liability

- 10.1 The Supplier shall be obliged to fully indemnify Veltec against third party claims for damages due to defects in the Delivery.
- 10.2 Within the scope of its duty to indemnify, the Supplier shall also reimburse Veltec for expenses that may arise in connection with a recall carried out by Veltec. As far as possible and reasonable, Veltec shall inform the Supplier about the subject matter and extent of recalls to be carried out and give it the opportunity to make a statement.
- 10.3 The Supplier shall confirm the existence of a reasonable and adequate product liability insurance policy covering an amount of at least € 2.5 million per case of damage and shall undertake to produce evidence of such policy on request.

11 Intellectual property rights

- 11.1 The Supplier shall be liable for claims arising from infringement of intellectual property rights or applications for intellectual property protection when the Delivery is used in conformity with the PO. The Supplier shall indemnify Veltec, Veltec's contract partner and/or the user for any claims from the use of such intellectual property rights.

12 Confidentiality

- 12.1 Drawings, specifications, calculations and other technical information which Veltec entrusts to the Supplier for the manufacture of the Delivery shall remain the property of Veltec. The information shall be treated with confidentiality and shall not be distributed, copied and/or entrusted to any third party for other purposes than the execution of the PO.

13 Corporate Social Responsibility

- 13.1 The supplier's business must be operated in a professional, safe and environmentally friendly manner that meets all requirements in applicable legislation, industry standards and collective agreements.
In addition, the business must be characterized by a high degree of integrity and responsible conduct.
- 13.2 Veltec's expectations and requirements regarding responsible behavior are outlined in further details in Veltec's Code of Conduct for Suppliers which is published on Veltec's website.

14 Place of jurisdiction / Applicable Law

- 14.1 All legal matters arising between Veltec and the Supplier shall be governed by Danish law, excluding Danish international private law.
- 14.2 Irrespective of the place at which the Supplier dispatches the Delivery, the place of jurisdiction for both parties shall as a starting point be the local city court at Veltec's headquarters, although Veltec is entitled to instead sue the Supplier at the location of the Supplier's registered office.

15 General provisions

- 15.1 If individual provisions of the GPC are ineffective in whole or in part, the other provisions of the GPC and the PO shall to the fullest extent possible remain in force.