

0. PREAMBLE

0.1 These general conditions for purchase of goods (hereinafter referred to as "Conditions") reflect the SUPPLIER's obligations and liabilities when PURCHASER procures components/equipment/articles (hereinafter referred to as "Supplies"), i.e. related to whether if such components/equipment/articles are standard or are customised cf. 0.1.1 and 0.1.2 below:

0.1.1 For purchase of standard goods these General Purchase Conditions shall apply in full, however, except for clauses

- Delay clause 7.4
- IPR clauses 12.4 through 12.6
- Termination, clause 14.1 v.
- Quality Management and Control, clauses 16.3

0.1.2 For purchase of customized goods according to PURCHASER's drawings/specifications these General Purchase Conditions shall apply in full, however, except for clauses

- Quality Management and Control, clauses 16.1 through 16.2

1. GENERAL CONDITIONS AND ORDERS

- 1.1 These Conditions form part of the Contract or Purchase Order (hereinafter individually or collectively referred to as "Order") affixed hereto and agreed between PURCHASER and SUPPLIER whose details are set out in the Order. SUPPLIER and PURCHASER may hereinafter also be referred to individually as "Party" and collectively as "Parties".
- 1.2 These Conditions shall apply to all Supplies to PURCHASER irrespective of the contents of any sales terms and/or delivery conditions of SUPPLIER. Any changes in or additions to the Conditions or the Order shall be agreed in writing and duly signed by the Parties.
- 1.3 Any term & condition of an existing Contract or Frame Agreement - and which is stronger than in these Conditions - shall prevail.
- 1.4 Only written Orders may be considered binding on the Parties. Any written communication related to an Order shall include the Order number, project number and project name, if any.
- 1.5 The ordered quantity, price and delivery date must be confirmed promptly after receipt of this Order (however, no later than 3 workdays after receipt of Order). **Order confirmation to be sent to PURCHASER at 4160FAX@beumergroup.com**
- 1.6 SUPPLIER is obliged to check drawing(s) submitted together with the Order to verify that such drawing(s) is/are latest revision.

2. REGULATIONS & STANDARDS

- 2.1 SUPPLIER undertakes to ensure
that the Supplies conform to European Machinery Directive 2006/42/EC and Annexes, as amended from time to time, and that a full technical file as stipulated in said Machinery Directive Annex VII is available to PURCHASER upon request; and
that the Supplies conform to all relevant laws, regulations and standards in force. SUPPLIER is deemed to be familiar with any such applicable laws, regulations and standards; and
that all required documentation to be submitted to PURCHASER comply with the aforesaid Machinery Directive 2006/42/EC and all relevant laws, regulations and standards.

3. ENVIRONMENT, DUTY TO DECLARE AND DANGEROUS GOODS

- 3.1 If the Supplies are subject to imposed restrictions and/or information requirements (e.g. REACH, RoHS) SUPPLIER shall make a duly and detailed declaration no later than the date of delivery of the Supplies or the first part thereof.
- 3.2 If the Supplies according to international regulations are classified, fully or partly, as dangerous goods, SUPPLIER shall inform PURCHASER accordingly no later than the date of order confirmation.

4. EXPORT CONTROL AND FOREIGN TRADE DATA REGULATIONS

- 4.1 SUPPLIER shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). SUPPLIER shall advise PURCHASER in writing within two weeks of receipt of the signed Order - and in case of any changes without undue delay - of any information and/or data required by PURCHASER to comply with all Foreign Trade Regulations in case of export and import as well as re-export.

- All applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN); and
- The statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; and
- The country of origin or non-preferential origin, as the case may be; and
- SUPPLIER's declaration of preferential origin or certificates if required.

4.2 SUPPLIER shall be liable for any expenses, cost damages etc. incurred by PURCHASER due to SUPPLIER's breach of any of the above obligations. Any such breach shall be deemed to constitute a material breach.

5. DELIVERY

5.1 Unless the Order specifies otherwise, SUPPLIER shall deliver the Supplies **FCA** (INCOTERMS 2010) at SUPPLIER's registered address. Title to all Supplies shall pass to PURCHASER upon delivery.

5.2 SUPPLIER shall comply strictly with the date of delivery specified in the Order. Partial delivery may take place subject to PURCHASER's prior consent.

5.3 SUPPLIER shall be responsible for safe and adequate packaging of the Supplies and shall conform to PURCHASER's specific instructions for packaging, if any, including any particular requests for marking.

5.4 A delivery note informing about the Order number, goods number and quantity shipped shall be included with every delivery. If any quantity information is absent PURCHASER's counting or weighing, as the case may be, of the delivered Supplies shall serve as evidence of the quantity delivered.

5.5 Notwithstanding the agreed delivery term cf. Section 5.1 above, risk shall remain with SUPPLIER until the Supplies have been accepted by PURCHASER.

6. PRICE AND PAYMENT

6.1 The purchase price agreed upon shall remain firm and fixed and shall not be subject to regulation of any kind.

6.2 Unless otherwise agreed or stated in the Order, PURCHASER shall pay the purchase price for the Supplies within **current month + 62 days**. Invoice may be issued upon acceptance of delivery by PURCHASER.

7. DELAY

7.1 Timely delivery of any and all Supplies is of the essence.

7.2 If a delivery of Supplies, fully or partly, is delayed, PURCHASER shall be entitled to demand that SUPPLIER pays liquidated damages of half per cent (0.5%) of the total Order value for every commenced day of delay, up to a maximum of ten per cent (10%) of the total Order value, unless otherwise agreed.

7.3 If a delay of the Supplies exceeds 10 days cf. Section 7.2. above, whether fully or partly, and the said delay has inflicted a loss, costs, expenses, damages and liabilities on PURCHASER, then PURCHASER shall be entitled to demand that SUPPLIER fully compensates PURCHASER for such loss, costs, expenses etc.

7.4 SUPPLIER acknowledges that the payments described herein are in the nature of liquidated damages, and (i) are not a penalty, (ii) are fair and reasonable; and (iii) represent a reasonable and genuine pre-estimate of the losses that would be incurred by PURCHASER in the event of delay of the Supplies. SUPPLIER agrees and accepts to waive any rights he may have, under law or otherwise, to allege that the payments described herein are a penalty, or are unenforceable for any reason.

8. INSURANCE

8.1 SUPPLIER shall take out and maintain adequate insurance(s) including but not limited to public and product liability.

8.2 SUPPLIER shall also provide insurance cover against damage to the Supplies while in transit to the place of delivery specified by PURCHASER; this cover shall be equal to 110% of the Order value.

8.3 If the Supplies relate to standard software or similar products, SUPPLIER shall take out and maintain adequate insurance cover in relation to professional indemnity and data liability i.e. cover for loss of data.

9. WARRANTY AND NON-CONFORMITY

9.1 SUPPLIER warrants and guarantees that the Supplies are fit for purpose or as agreed between the Parties, and are free from any right or claim of any third party, including rights or claims based on industrial or other intellectual property.

- 9.2 Unless the Parties agree otherwise, SUPPLIER's warranty shall be for a period of **2 (two) years from delivery on-site, however, no longer than 3 (three) years** from the date of delivery to PURCHASER's address save for any claim(s) based on industrial or other intellectual property, which shall not be time barred.
- 9.3 SUPPLIER warrants that the Supplies are free of any defects and that the Supplies are free from all liens, charges and encumbrances and do not violate any right of a third party. If the Supplies violate any right of a third party, including but not limited to any right based on industrial or other intellectual property, such violation shall be deemed to constitute a significant lack of conformity
- 9.4 In case of any non-conformity SUPPLIER shall be liable to initiate immediate remedial action (replace or repair) at his own expense in order to achieve conformity of the Supplies.
- 9.5 In case of non-conformity of the Supplies PURCHASER shall be entitled to claim full compensation, which shall include but not be limited to losses, costs, expenses, damages and liabilities incurred as a result of the non-conformity.
- 9.6 Any non-conformity occurring during the warranty period of more than 3% (three per cent) of the delivered Supplies of any given production or delivery batch shall be deemed an epidemic non-conformity. Within 1 (one) week from notification of an epidemic non-conformity, SUPPLIER shall replace all Supplies of the same production or delivery batch without any cost to PURCHASER.
- 9.7 PURCHASER shall notify SUPPLIER of any non-conformity and/or violation of rights of a third party within a reasonable time after PURCHASER has obtained knowledge of the non-conformity and/or violation.

10. LIABILITY

- 10.1 SUPPLIER shall fully indemnify and hold PURCHASER harmless against any kind of loss and costs which PURCHASER may sustain in relation to any liability arising out of or aggravated by SUPPLIER and/or the Supplies.
- 10.2 If a third party submits a claim against PURCHASER which either the third party or PURCHASER maintains is caused by - or aggravated by - SUPPLIER and/or the Supplies, PURCHASER shall inform SUPPLIER immediately and SUPPLIER shall be obliged to defend PURCHASER against the claim to the furthest extent.
- 10.3 SUPPLIER shall be liable for any and all of his subcontractors to the same extent that he is liable for his own servants and agents etc.
- 10.4 Notwithstanding anything to the contrary, whether in these Conditions, the Order or otherwise, PURCHASER shall be entitled to set off any payments due to SUPPLIER against any sum(s) which SUPPLIER shall compensate PURCHASER in relation to any liability on the part of the SUPPLIER.

11. SPARE PARTS

- 11.1 The lifetime expectancy of PURCHASER's deliveries including safety related parts of the operating deliveries is set at minimum 20 years.
- 11.2 SUPPLIER warrants his ability (i) to supply original parts OR (ii) to supply parts identical in form, fit and function to the original parts delivered to PURCHASER in order to keep PURCHASER's deliveries in operation for the lifetime period.
- 11.3 Original parts are specified by the manufacturer/SUPPLIER. In order to avoid shortages of original spare parts during the expected lifetime SUPPLIER must secure that two suitable original replacement parts of each part of the Supplies are defined.
- 11.4 SUPPLIER must in a proactive manner co-operate with PURCHASER to ensure timely replacement of the parts which become obsolete in the market and at the same time grant PURCHASER a last buy option.
- 11.5 SUPPLIER warrants that in case of liquidation, involuntary or voluntary bankruptcy, restructure as well as termination of business PURCHASER shall be given access to and obtain the rights to any and all drawings, technical specifications and other documents, and any tools and pertaining equipment, forms and models, etc. including any kind of pertaining intellectual property rights, if any, in order to procure or produce the parts himself or by means of a qualified third party.

12. INTELLECTUAL PROPERTY RIGHTS (IPR)

- 12.1 Any drawings, technical specifications and other documents, and any tools and attached equipment, forms and models, etc. which belong to PURCHASER but have been entrusted to SUPPLIER for his use, shall remain the property of PURCHASER and shall be returned to PURCHASER whenever PURCHASER so desires. The obligation to return includes any and all copies of the said material. SUPPLIER shall use such material solely for the purposes of fulfilling his obligations under the Order.
- 12.2 SUPPLIER shall take commercially reasonable steps to protect PURCHASER's materials and information from unauthorized use, disclosure or duplication. SUPPLIER shall not disclose the existence of the Order to any third party, including any Supplies, prices, pictures, descriptions or samples without PURCHASER's prior written consent.
- 12.3 SUPPLIER shall at his own expense safeguard and duly insure PURCHASER's property in SUPPLIER's custody or control, and shall provide proof of such insurance upon request.

- 12.4 Any drawings, technical specifications and other documents, and any tools and attached equipment, forms and models, etc. which have been developed or acquired by SUPPLIER in anticipation of fulfilling the Supplies including subsequent production of spare parts shall be the property of PURCHASER upon creation or if not yet in existence, the intellectual property rights shall so vest immediately upon coming into existence.
- 12.5 To the extent SUPPLIER holds or acquires any title to any such materials, SUPPLIER declares and confirms that he holds that title as trustee and agent for PURCHASER's sole benefit, and hereby grants PURCHASER an exclusive, royalty-free, assignable, sub-licensable, irrevocable, worldwide license to fully exploit all rights SUPPLIER may have arising from that title. SUPPLIER hereby waives, on its behalf and as agent for SUPPLIER's personnel, any moral rights in any such materials. SUPPLIER will on request sign such documents and take such other actions as PURCHASER may reasonably request to effect, perfect or enforce PURCHASER's rights in such materials.
- 12.6 Any drawings, technical specifications and other documents, and any tools, forms etc. shall not be used for any other purpose than stipulated and shall not be handed over to any third party by SUPPLIER without PURCHASER's prior written consent. If PURCHASER consents, SUPPLIER shall be obligated to impose the same restrictions on the third party as SUPPLIER has assumed under these terms and conditions.

13. TAXES, FEES & DUTIES ETC.

- 13.1 Any and all taxes, fees, duties and other sorts of charges pertaining to the Supplies shall be borne exclusively by SUPPLIER, regardless when, where, by whom and for whatever reasons any such taxes, fees, etc. may be imposed on the Supplies or SUPPLIER.
- 13.2 It shall be the explicit and unconditional obligation of SUPPLIER to secure knowledge of any relevant laws and regulations in respect of required taxes (including exemptions if any), duties, etc. and of any subsequent obligation (or risk of same) for PURCHASER to withhold and/or effect payment to authorities on the part of SUPPLIER.
- 13.3 If PURCHASER at any given point in time is requested either by law or authoritative instruction, nationally or internationally, to either withhold and/or effect payment to authorities for any taxes, duties, etc. pertaining to the Supplies and/or SUPPLIER, and PURCHASER, though entitled thereto, has not withheld any money to secure payment of any such taxes, duties, etc. , then SUPPLIER shall fully reimburse PURCHASER any such imposed amounts.

14. TERMINATION

- 14.1 PURCHASER may terminate the Order if:
- i. PURCHASER reasonably anticipates that SUPPLIER will no longer be able to fulfil the Order, and SUPPLIER does not, upon receipt of PURCHASER's reasonable notification, convince PURCHASER that SUPPLIER is capable of fulfilling the Order; or
 - ii. SUPPLIER is in breach of the Order and does not remedy the breach upon PURCHASER's reasonable notification to SUPPLIER, and without inconvenience to PURCHASER and/or to his customer; or
 - iii. SUPPLIER is in material breach of the Order. In any such event PURCHASER may terminate the Order immediately by mere notification to SUPPLIER; or
 - iv. An application for insolvency proceedings has been filed against or by SUPPLIER.
 - v. PURCHASER's employment under a contract is terminated in whole or in part, for whatever reason, prior to SUPPLIER having fully performed his obligations under the Agreement, and then PURCHASER may at any time thereafter by notice to SUPPLIER immediately terminate SUPPLIER's employment in whole or in part under the Agreement.
- 14.2 SUPPLIER waives his rights, if any, to claim for compensation on the basis of a notified or immediate termination of the Order as per above. If PURCHASER terminates the Order due to SUPPLIER's default, PURCHASER shall be entitled to be compensated for losses and damages incurred as a consequence of such SUPPLIER's default.

15. ETHICS AND ENVIRONMENT

- 15.1 SUPPLIER shall respect and commit to the Ten Principles as defined in the United Nations Global Compact ([HTTP://WWW.UNGLOBALCOMPACT.ORG/ABOUTTHEGC/THETENPRINCIPLES/INDEX.HTML](http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html)) and an accident-free working culture supported by meeting or exceeding applicable health and safety legislation. If PURCHASER is committed to any specific principles, codes of conducts, etc. of any of its customers, SUPPLIER shall be willing to also comply with such specific requests if relevant to the Supplies.

16. QUALITY MANAGEMENT AND CONTROL

16.1 General Quality Management Requirements:

SUPPLIER is required to work in accordance with a zero (0) defect philosophy and to document and maintain a well-functioning quality management system. SUPPLIER shall continuously take out samples and perform tests and measurements in accordance with PURCHASER's written instructions and SUPPLIER shall use single sample plan with AQL=1.0 unless otherwise specified.

If SUPPLIER discovers any non-conformity in respect of the Supplies, he shall notify PURCHASER immediately. SUPPLIER may only deliver or continue to deliver Supplies in conformity with the specified quality requirements.

PURCHASER's Quality Department shall have the right to review product samples of the Supplies at SUPPLIER's location.

16.2 Audit

PURCHASER reserves the right to carry out a quality audit at SUPPLIER's location subject to a minimum notification of 24 hours. Audit scope will involve products supplied to PURCHASER, and SUPPLIER shall make all relevant quality system documentation available to the audit team. Audit will be carried out by PURCHASER personnel, unless otherwise agreed and SUPPLIER is obliged to carry out necessary corrective actions. PURCHASER will issue an audit report and SUPPLIER will receive a copy. Within 2 weeks after having received the audit report, SUPPLIER shall inform the quality department of PURCHASER of SUPPLIER's corrective actions.

16.3 General Quality Management Requirements:

SUPPLIER is required to work in accordance with a zero (0) defect philosophy and to document and maintain a well-functioning quality management system. SUPPLIER shall continuously take out samples and perform tests and measurements in accordance with PURCHASER's written instructions and SUPPLIER shall use single sample plan with AQL=1.0 unless otherwise specified.

If SUPPLIER discovers any non-conformity in respect of the Supplies, he shall notify PURCHASER immediately. SUPPLIER may only deliver or continue to deliver Supplies in conformity with the specified quality requirements.

PURCHASER's Quality Department shall have the right to review product samples of the Supplies at SUPPLIER's location.

Only critical dimensions, as specified on PURCHASER drawings/specifications, shall officially be recorded and documented by SUPPLIER in a Dimensional Control report cf. below.

PURCHASER is using DS/ISO 2859-1, Sampling Procedures and Tables for Inspection by Attributes. Dimensional control must only be recorded by SUPPLIER on conditioned or normalized materials.

Dimensional Control report - SUPPLIER shall send Dimensional Control reports to PURCHASER, att. Quality Department, by e-mail (or fax), in accordance with a specific IT software, template and file-structure set up by PURCHASER, allowing for an easy identification and traceability of each unique report. SUPPLIER must, at all times store the dimensional control reports safely and kept readable.

Traceability SUPPLIER shall identify all Supplies with a unique product number, which must be marked onto the Supplies or on the packaging material. There must be traceability between the Supplies and SUPPLIER quality documentation for the Supplies.

Storage of Documentation - SUPPLIER shall store all relevant documentation regarding quality of the Supplies for at least 20 years from the time of delivery to PURCHASER. The product documentation must include traceability to the Order.

Advice and Guidance - Any advice, guidance or participation in planning and implementation of quality management methods by PURCHASER shall not relieve SUPPLIER of his liabilities and responsibilities.

16.4 External Support

If SUPPLIER cannot find the reason for non-conformity, PURCHASER shall be entitled to engage an independent laboratory, technical institution, university or a professional institute or person for the purpose of a non-conformity investigation.

17. CHECK AND TESTING

- 17.1 SUPPLIER's instructions regarding internal check and testing shall include a description of the applicable specifications and qualities and of the criteria for a satisfactory implementation of the manufacturing process and a detailed procedure of the factual check and testing including but not limited to testing equipment and registration methods. The said instructions, description, etc. (Material) shall allow for specific PURCHASER requirements.
- 17.2 SUPPLIER shall describe his plans in details for random checks if SUPPLIER does not perform check and testing of all the Supplies.
- 17.3 Check and testing shall be performed as close as possible to the actual time of manufacturing process.
- 17.4 Upon reasonable notice to SUPPLIER, PURCHASER shall be entitled to inspect the Supplies or be present at the check and testing thereof at SUPPLIER's premises or at those of his subcontractors, if any. PURCHASER's presence shall not relieve SUPPLIER of his liability for any non-conformity.

18. PUBLIC RELATIONS

- 18.1 SUPPLIER shall not be entitled to publish any information regarding its business relations with PURCHASER without the prior written consent of PURCHASER.

19. CHOICE OF LAW AND DISPUTE RESOLUTION

- 19.1 The Order shall in all respects be governed by and interpreted in accordance with the laws of Denmark, save for the United Nations Convention on Contracts for the International Sale of Goods. The governing language shall be English.
- 19.2 The Parties agree to amicably solve any dispute arising out of or in connection with the Order. If an amicable solution cannot be found, either Party may submit the dispute for mediation in accordance with the rules on mediation adopted by the Danish Institute of Arbitration and in force at the time when such proceedings are commenced.
- 19.3 If mediation proceedings are terminated without a binding settlement, the dispute shall be subject to 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. Venue shall be Copenhagen.