

1. Scope of delivery

- 1.1 The supplier shall make delivery in close conformity with the order, including required material and test certificates as well as other certificates and documentation deemed part of the overall delivery.
- 1.2 To be valid, amendments to specifications, prices or times of delivery shall be confirmed in writing by S&T before delivery.
- 1.3 All drawings and technical documents belonging to S&T and handed over to the supplier in connection with the making of offers and/or after the conclusion of the agreement shall remain the property of S&T. Such drawings and documents may not be copied, reproduced, surrendered or in any other manner disclosed to any third party without the permission of S&T except where necessary for the calculation of quotations / performance of the order.
- 1.4 At the request of S&T, the supplier shall, without charge, provide S&T with all relevant information and documents deemed sufficiently detailed to enable S&T to install, commission, operate and maintain, including regularly repair, all parts of the delivery. The ownership of such information and drawings will pass to S&T.
- 1.5 The supplier shall indemnify S&T for any third-party claims for any alleged infringement of patents, licences, trademark and design registration, copyright, know-how, etc.
- 1.6 The supplier shall be able to deliver specified spare parts/spare parts specified in the bills of materials for a period of five years after delivery.

2. Delivery

- 2.1 The times of delivery specified in the order constitute the arrival date at S&T of goods, including documentation etc., unless the order specifies a different place of delivery. If the order also includes mounting, delivery is only deemed to have been made once S&T has approved the delivery, including the result of the test. If the delivery is defective, delivery is only deemed to have been made once such defects have been remedied. S&T's production and order handling is planned to ensure the close observance of agreed delivery times, and any deviations may lead to significant costs. The supplier shall therefore take all requisite measures to ensure delivery at the times specified.
- 2.2 S&T shall immediately be notified in writing of any delays or expected delays. In cases where S&T cannot accept the delay, S&T is entitled to an agreed penalty from the day the delivery should have been made. The agreed penalty constitutes 2.0% of the total order sum per commenced week the delay persists. In connection with project procurement, the total order sum is understood as the order sum per project. The agreed penalty cannot exceed 20% of the total order sum. In cases where S&T has accepted a postponement due to the supplier's delay and where the new delivery time is not observed, the agreed penalty shall be calculated from the original delivery time.
- 2.3 The agreed penalty is payable subject to written demand from S&T. Such demand shall be made not later than six months of delivery.
- 2.4 If any parts of the delivery are delayed, S&T is entitled to demand delivery from the supplier in writing and to set a final deadline for such delivery. If the supplier fails to take all requisite measures to ensure delivery within the set deadline, S&T is entitled to cancel the purchase in writing and – in addition to the agreed penalty – demand that the supplier pays compensation for any direct damage suffered by S&T as a consequence of the delay, including any direct loss due to disruptions. Compensation is determined in accordance with the general Danish law of damages. S&T is entitled to compensation both in cases where S&T cancels the purchase and in cases where S&T affirms the purchase. If the supplier undergoes restructuring proceedings or liquidation, S&T is entitled to cancel the purchase and claim an agreed penalty; see clauses 2.2 and 2.3. In no case will the supplier be liable for business interruption loss, loss of earnings or any other indirect loss.
- 2.5 If S&T so requires, the supplier shall forward drawing and production plans as well as reports of the production process to the extent deemed necessary by S&T.
- 2.6 S&T and/or its customer is entitled to check the ordered product during production at the place of production.
- 2.7 If a supplier does not produce key parts of the delivery itself, the producer's name must be stated on order confirmation and approved by S&T before production of the delivery in question starts. S&T or its customers shall be granted access to perform quality control during production; see clause 2.6.

3. Payment

- 3.1 Payment shall be made pursuant to the terms of payment of the order and following normal goods control in respect of quantity and quality and invoice approval. Payment is conditional on full delivery being made, including certificates, drawings and other technical documentation. Penalty or compensation pursuant to clauses 2.2, 2.3 or 2.4 may be set off against any payment to the supplier.
- 3.2 In the event of prepayment, S&T may demand that the supplier provides an irrevocable demand guarantee with or through a reputable Danish bank or insurance company.

4. Transport/Cargo insurance

- 4.1 Inland shipments of goods shall be delivered to S&T free of charge unless otherwise specified in the order. If the supplier carries the risk of any part of the transport, he shall take out cargo insurance for that part.
- 4.2 International shipments must be made in accordance with the terms of delivery agreed in the order and be arranged with S&T's freight forwarder. If the supplier carries the risk of any part of the transport, he is obligated to take out cargo insurance for that part in accordance with the terms and conditions of Incoterms 2010.
- 4.3 The supplier shall ensure that all orders are delivered in safe and expedient packaging considering the type and nature of the goods. Unless otherwise agreed, packaging is included in the delivery.

5. Non-disclosure and photography

The supplier is not entitled to publish or inform any third parties of technical data, prices or the like concerning the order unless agreed in writing with S&T. Photography at S&T's workshops is only allowed subject to agreement.

6. Warranty and liability for defects

- 6.1 The supplier shall warrant that the delivery has the agreed and/or ensured properties as specified in the agreement and shall warrant the quality and suitability of all delivered materials, the performance of the work and the proper function and operation of the overall delivery, including that the rules on proper and safe standards have been observed. The above mentioned shall also apply to parts delivered by the supplier's own sub-contractors/sub-suppliers. If delivery includes specified services, the supplier's warranty shall also comprise such services.
- 6.2 Unless otherwise agreed in the order, the warranty period shall be 24 months. For deliveries to projects, the warranty period shall be calculated from the handing over of the project to S&T's customer. For other deliveries, the warranty period shall be calculated from S&T's approval on commissioning.
- 6.3 S&T will without undue delay inform the supplier of any errors and/or defects.
- 6.4 The supplier shall remedy the defect and/or error, including replace any parts of the delivery that do not meet the requirements outlined in the specification and order without undue delay and without any expense to S&T. Such remedying shall be made regardless of where the delivery is, provided always that the supplier is not liable to cover transport costs in excess of costs corresponding to the delivery being in Northern Europe. S&T shall determine a deadline solely regarding S&T's handover or remedying within which remedying must be made. If the deadline is exceeded, it shall be considered as a delay; see clause 2.1.
- 6.5 If the supplier fails to remedy, repair, replace and/or redeliver within the deadline stipulated by S&T, S&T is entitled to have such remedying, repair and/or replacement carried out by others than the supplier but for the supplier's account. The same shall apply if the delivery is to be used by S&T immediately after delivery. S&T is also entitled to cancel the agreement with the supplier in writing instead of having such remedying, repair and/or replacement carried out.
- 6.6 S&T may claim compensation for any loss incurred by S&T due to errors or defects; see clause 2.4.
- 6.7 For deliveries that in whole or in part are replaced or remedied pursuant to clauses 6.4 or 6.5, the above conditions shall apply to all parts related to the delivery for a new 24-month period calculated from the performance of the remedying; see clause 6.2.
- 6.8 The supplier shall label the delivery in accordance with S&T's delivery instructions. Failure to label is considered a defect; see clause 2.1.
- 6.9 In cases where S&T delivers materials to be processed by the supplier, such materials shall be labelled and identified as being S&T's property immediately on arrival at the supplier and shall be stored in accordance with S&T's instructions.

7. Product liability

If any third party files a claim against one of the parties for liability to pay damages, the party concerned shall immediately inform the other party thereof in writing. To the extent that S&T incurs product liability for any damage caused by the suppliers delivery under Danish or foreign law, the supplier shall indemnify S&T. The supplier's product liability and cover for damage caused by ingredients and components and cover for loss shall be limited to DKK 10,000,000 per year. In no case will the supplier be liable for business interruption loss, loss of earnings or any other indirect loss. Subject to agreement with S&T, the supplier shall present a certificate of insurance concerning product liability, specifying the insurance sum as agreed at the time of order placement.

8. Force majeure

- 8.1 If a delivery/service is delayed due to force majeure under the general rules of Danish law, the supplier shall immediately inform S&T of the delay, its cause and estimated duration and generally keep S&T informed of the development. The supplier shall initiate requisite measures to reduce the consequences of the force majeure situation. The time of delivery shall be postponed provided that the supplier has informed S&T as specified above – by the inevitable delay, but not by more than the duration of the force majeure situation. Force majeure experienced by the supplier's sub-contractors of key parts shall be equated with force majeure experienced by the supplier. Force majeure situations, existing or predictable at the time of the order, do not imply an entitlement to postponement as above.
- 8.2 If S&T's reception or installation of the delivery is prevented due to a force majeure situation as above, S&T is entitled to demand that delivery be postponed as above.
- 8.3 If the postponement of the delivery following force majeure experienced by S&T or the supplier will materially impact on S&T's project and/or delivery, S&T is entitled to cancel the purchase against payment of any documented costs of the supplier until the date of cancellation plus the part of the supplier's calculated profit relating proportionally to the work performed.

9. Code of conduct

- 9.1 The supplier, its staff and any sub-contractors shall be familiar with S&T's code of conduct, which is available at www.serman-tipsmark.dk, and undertake to observe any requirements stipulated therein.

10. Assignment

- 10.1 The supplier's assignment of its obligations or rights in whole or in part is subject to the prior written consent of S&T. S&T may not unreasonably deny such consent.

11. Application of law and arbitration

If a dispute in connection with the agreement cannot be settled by negotiation, it must be settled according to Danish law and, at S&T's discretion, by arbitration or by the Maritime and Commercial Court of Copenhagen with right of appeal to the Danish Supreme Court.