

## **Terms and Conditions of Purchasing**

### **1. Definition**

The Purchaser (Semvac A/S) is a limited company which will issue the purchase order and "the Seller" is a person, firm or company to whom the purchase order is addressed.

### **2. Delivery schedule**

The Seller shall deliver the goods and/or services according to the quantities and delivery dates scheduled in the purchase order. The Seller shall airfreight/ship /deliver the required goods and carry the expense. Any loss/damage which the Purchaser may suffer as a result of the non compliance to the delivery schedule will be forwarded to the Seller. The Purchaser may at his option agree alternative delivery schedule or terminate the purchase order without any liability towards the Seller on account thereof except for goods already delivered and accepted.

### **3. Shipment**

Unless stated otherwise in the purchase order, shipment of goods purchased shall be DDU. In the country of origin where the Purchaser's appointed forwarders operate, shipment shall be made via such forwarders as mentioned in the purchase order unless otherwise agreed in writing by the Purchaser.

### **4. Prices**

The price terms and other items specified in the purchase order shall not be changed except upon written approval of the Purchaser.

### **5. Patent**

- a. The Seller shall warrant that there has been no violation on his part of copyrights or patent rights on manufacturing, producing or selling of goods ordered and shipped according to the purchase order. The Purchaser shall recover all liabilities, losses or expenses occurred by violation of such rights.
- b. Where the Seller has been supplied with illustration, catalogues, manuals, colours, drawings, dimensions, statements of weight and measurement etc. by the Purchaser, such material and design shall not be utilised, copied, re-produced by or transmitted, disclosed, communicated to third parties without the Purchaser's written consent.

### **6. Amendments**

The Purchaser shall have the right to make changes to the purchase order. If any of the changes cannot be complied with, the Seller must notify the Purchaser immediately and negotiate amendments. Unless agreed by the Purchaser in writing all prices, discounts and conditions of purchase shall be changed.

### **7. Cancellation**

The Purchaser reserves the right to cancel all or any part of undelivered instalments of the purchase order if the Seller does not make deliveries as specified in the schedules agreed. Further the Purchaser reserves the right to cancel deliveries if the Seller breaches any other terms of contract such as warranty liabilities etc.

### **8. Exclusive manufacturing**

The Seller will neither during the period of duration of the purchasing contract nor at any time thereafter:

- a. Manufacture or procure to be manufactured otherwise than for the Purchaser any goods or materials according to design or specifications provided by the Purchaser.
- b. Disclose to any person, firm or company any manufacturing process or trade secret in connection with the purchase orders or any information relating hereto.

9. Verification of purchased products

The Purchaser, his representative or his customer's representative shall be given the right to verify at source or upon receipt the opportunity to check if the purchased product is conform to the specified requirements. Verification by the Purchaser shall not absolve the Seller from his responsibility to provide acceptable products nor shall it preclude subsequent rejection. When the Purchaser or his representative chooses to make verification at the subcontractor plant, such verification shall not be used by the Seller as evidence of effective control of quality by the sub-contractor.

10. Rejection

If in the opinion of the Purchaser any of the goods delivered to the Purchaser under the purchase order is found to be defective or otherwise not in conformity with the requirements of the purchase order, the Purchaser shall have the right to reject such goods. Rejected goods not collected from the Purchaser's premises within the period specified in the Purchaser's rejection note will be returned, disposed of or destroyed (at Purchaser's discretion) at Seller's cost. In such case, the Purchaser reserves the right to order goods from other sources and any additional costs and expenses shall be carried by the Seller.

11. Seller's obligation

The Seller shall have the obligation to inform the Purchaser and seek requalification for major deviations from approved samples.

12. Obsolescence

In case of obsolescence or discontinuation of manufacturing of a component the seller shall inform the purchaser no later than 12 months in advance.

13. Rework

If rework or sorting is necessary due to non-conformity of specification by the Seller and/or other faults of the Seller, at the Purchaser's discretion, the Seller must rework or sort the goods delivered. In such an event the Seller is liable for any additional expenditure incurred.

14. Sub-contract and Assignment

Unless specifically agreed to in writing by the Purchaser, the Seller is not permitted to sub-contract or assign the order or parts hereof.

Work shall not be sub-contracted to employees of the Purchaser without the prior consent of the Purchaser.

15. Extra charges

No charges of any kind including charges for packaging or documentation will be allowed unless specifically agreed to by the Purchaser in writing.

16. Tools etc.

All patterns, drawings, dies, tools and jigs etc. supplied or paid for by the Purchaser shall remain the Purchaser's property and shall be returned to the Purchaser in good condition upon demand.

Such patterns, drawings, dies, tools and jigs etc. shall not be used in production, manufacture or design of any goods or materials other than those contracted for herein or pursuant hereto.

17. Insolvency

The Purchaser reserves the right to cancel all purchase orders and contracts resulting from the acceptance of the purchase order if the Seller commits an act of bankruptcy or has a petition in bankruptcy presented against him which is not withdrawn within 30 days, or makes any arrangement with his creditors or being a company going into liquidation either voluntary or compulsory.

18. Compliance with Law

The Seller shall comply with the laws, rules and regulations applicable under Danish law. The Seller shall also warrant that all existing laws regarding environment and human rights are fulfilled.

19. Applicable law

The purchase order shall be interpreted in accordance with Danish law.

20. Agreement

The purchase order when accepted by the Seller in the manner required constitutes the entire and only agreement between the parties hereto and no waiver, alteration or modification of any of the provisions hereto shall be binding unless it is agreed in writing and signed by the authorised representatives of the Purchaser.

21. Release of initial first article samples

In the following cases, before the Purchaser can accept any delivery, a sample has to be submitted in time by the Seller.

- New parts or products
- Change of quality feature including basic materials
- Use of different tools, machine, production methods or location

The samples must be representative of volume production and all quality features thoroughly tested.

The Seller has to submit the test results in the form of test reports and materials certificates/specifications, together with the samples.

The Purchaser will test the sample and inform the Seller of the results. If the results are positive, the product will be released and production can start.