

GENERAL PURCHASE TERMS AND CONDITIONS

Lund & Sørensen A/S, CVR-nr. 25 64 75 99

7. March 2024

Section 1 In General

These purchase terms and conditions are applicable to delivery of any product ("Products") from any supplier ("the Supplier"), who delivers products to L&S Group (L&S), and its subsidiaries. These purchase terms and conditions are applicable regardless of any conditions of sale from the Supplier.

Section 2 Products

1. The products or services delivered by the Supplier are described in agreed specifications and/or in L&S's purchase order. The Products must be applicable to the purposes for which they are to be used and as described in the specifications or in other ways known to the Supplier.

2. On the request of L&S's, the Supplier shall deliver a product sample for L&S to test. If a product sample is tested and approved by L&S, future deliveries of the Product must be similar to the product sample.

3. Any drawing, technical documentation, certificates, permissions, guarantees, etc. that the Supplier is obliged to deliver to L&S in accordance with the specifications and current legislation, or which according to their nature are common or in other ways required by the production country and in the countries where the products are to be delivered by the Supplier, are considered to be an integral part of the products and must be delivered together with the products. In particular all tools delivered to or used by L&S in the production must be accompanied by detailed tool drawings. L&S is entitled to maintain and alter any tool delivered from a Supplier of tools to such an extent and in such a way as L&S may wish, and a such Supplier hereby expressly acknowledge L&S the right to do so without further remuneration. Any delay in the delivery of such documentation in itself is to be considered as a delay in the delivery of the products. The expenses in connection with procurement of such documentation and rights are included in the agreed price of the products.

4. The Products shall be delivered free of any rights or requirements, including free of a third party's rights or requirements. The Supplier warrants that the Supplier is the rightful and unquestioned owner of any rights to the product and that L&S's use of the product in no way infringes on any third party's rights, including licenses.

Section 3 Orders

1. L&S's orders are binding for 10 working days from the placing of the order. The Supplier shall forward a written order confirmation to L&S within 2 days. L&S reserves the right to cancel an order at any time until the Supplier has confirmed it. The Supplier is not entitled to any compensation or any other payment in the event of cancelling of the order before the Supplier's confirmation hereof.

2. If L&S wishes to cancel an order that has already been confirmed by the Supplier, the parties must in good faith negotiate a solution which shall provide both parties with the best possible solution, and which limits the loss of both parties to what is reasonably possible. This obligation shall include an obligation on L&S to buy products that have already been produced by the supplier at the agreed price. If the Supplier has not produced the products ordered, but, for the purpose of fulfilling a confirmed order, the Supplier has procured raw materials or semi-products which the Supplier can prove can only be used for the production of the L&S products, L&S shall be obliged to buy such raw materials or semi-products at a price corresponding to the Supplier's purchase price for such raw materials or semi-products. The Supplier shall under no circumstances be entitled to compensation for loss of earnings on such non-produced products. The Supplier shall – if L&S so requests – be obliged to assist L&S with selling to a third party raw materials or semi-products which L&S has obtained pursuant to this condition.

Section 4 Quality

1. The Supplier shall deliver the products free of any defects and the products shall comply with the quality requirements indicated in the specifications and in the absence thereof correspond with common good commercial product.

2. The Supplier shall establish a quality assurance system to ensure the fulfillment of relevant and suitable quality requirements. The Supplier acknowledges that the quality assurance must be planned, described and performed in such a way that ensures that L&S's high level of quality requirement is fulfilled and ensured. The Supplier is obliged to prepare a description of the quality assurance system for the products, which shall be available to L&S upon request.

3. If L&S so requests for particularly indicated products, the Supplier's shipments of such products shall also meet the further quality requirements that appear from L&S's general quality requirements.

4. L&S may supply services, drawings, specifications, or components to the Supplier to be used for the manufacture. The Supplier is obliged to ensure that L&S has been made aware of all the time related and technical conditions and other conditions to ensure timely and correct delivery from L&S. The Supplier is obliged to inspect the shipments from L&S upon receipt and immediately inform L&S in writing about any discrepancy and no later than 2 days after receipt.

Section 5 Code of conduct

LS expects the supplier to comply with local laws.

- Will support and respect human rights.
- Forced and Compulsory labor are prohibited.
- Child labor is prohibited.
- Discrimination of all kind is prohibited.
- Employees' health and safety a priority at all time.
- Freedom of association and the right to collective bargaining.
- A Precautionary attitude to environmental issues.
- All forms of corruption, bribery, and extortion are prohibited.
- Commitment to fair competition.



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Section 6 Documentation

1. The Supplier is obliged to establish and maintain documentation for quality control performed by the Supplier concerning the products delivered to L&S. To the extent specified by L&S's quality terms, the Supplier is obliged to establish and maintain documentation in accordance with the conditions described in L&S's quality terms and in any appendices thereof.
2. Insofar as reasonably and technically possible, the Supplier shall retain documentation for a minimum of 5 years from the date of issue, and upon request the Supplier shall deliver a copy to such documentation or parts thereof to L&S.

Section 7 Packing and Labelling

1. The products must be packed and labelled in accordance with any guidelines from L&S thereon. If such guidelines do not exist, the products must be packed in a way usual for such products, which shall also be suitable for storage and protection of the products.
2. The Supplier warrants towards L&S that the products are in accordance with any legal requirements concerning packing and labelling in the production country and in any country in which the Supplier shall deliver the products.

Section 8 Delivery, Freight, and Insurance

1. If nothing else has been agreed
 - the time and place shall be described in L&S's order and
 - terms of delivery shall be INCOTERMS 2020 DDP place of delivery as indicated by L&S.
2. If the Supplier shall be in charge of transportation of the products, the Supplier shall make such agreements as are necessary for transport to be performed by means of transportation that are suitable according to the circumstances and in accordance with usual conditions for such transportation.
3. The Supplier shall deliver the products, transfer any document concerning these and transfer ownership of the products to L&S at the agreed location and at the agreed time of delivery. L&S shall receive the shipment at the agreed location and at the agreed time of delivery.

Section 9 Prices and Payment

1. The prices of the products are as agreed between the Supplier and L&S. The Supplier is not entitled to change the prices on orders that have already been confirmed by L&S.
2. L&S is obliged to perform payment at the time and place that has been agreed between the parties. Unless otherwise agreed, the agreed purchase price will be due for payment 90 calendar days after the invoice date.
3. L&S is entitled to effect a set-off in the purchase price in any amount that the Supplier owes L&S, regardless of whether this amount originates from other purchase orders and/or other circumstances and agreements.

Section 10 Changes in Specifications

L&S is entitled to change the specifications at any time. Changes shall take place by written notification and shall indicate the date from which the change shall come into force, and the Supplier shall indicate his position to the changes in writing no later than 21 days after the date of a notification of change. The Supplier is not allowed to change products or change the name of the product without prior written consent from L&S.

Section 11 The Supplier's Non-performance

1. Delay.

If the Supplier deems that he will not be able to deliver the products at the agreed time of delivery or at the agreed place of delivery, or if a delay will probably occur, the Supplier shall immediately notify L&S about it and indicate the reason for the delay and if possible the time when delivery may be expected. The Supplier shall send such notification in writing if L&S so requests.

If the Supplier does not deliver the products in due time, the Supplier is obliged to compensate L&S any documented loss caused by the delay.

For delays caused by deliveries from L&S or force majeure, the Supplier has the right to extend the time of delivery with the same number of working days.

2. Defects.

Products that do not meet quality requirements that are customary for products of the same type or do not meet the requirements indicated in the specifications are defective.

The Supplier is responsible for defects in the products for 2 years from the date of delivery unless the length of the period of responsibility of this defect does not correspond with the period that the Supplier usually grants his customers for products of the same kind.

L&S's test of product samples does not limit the Supplier's responsibility for defects. L&S's payment to the Supplier does not imply approval that the products are in accordance with contract.

Due to the Supplier's comprehensive quality assurance measures, L&S is not obliged to inspect and test the products upon delivery. However, L&S shall perform a reasonable visual inspection of the products to establish whether the products have been damaged during transportation in which case L&S shall forward a written notification to the Supplier about established defects of the products within 10 working days. For any other defect L&S shall inform the Supplier without undue delay after the defect has been established by L&S.

If the Supplier establishes that products that have already been delivered to L&S are defective, the Supplier shall immediately inform L&S thereof.



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L&S is entitled to demand that the Supplier shall remedy documented defects in the products. In case of defects, L&S is furthermore entitled to cancel the purchase, to demand a proportionate reduction, or demand a replacement shipment. Transportation in connection with remedy or replacement shipment of defective products will take place at the Supplier expense and own risk. In addition, the Supplier is obliged to compensate L&S reasonable expenses on remedy of defect in products which L&S has already used, i.e. where defective products have been included in L&S's products. This also applies to L&S products that have been delivered to L&S's customers.

If the Supplier fails to fulfill his obligations within a reasonable time-limit of no more than 15 working days, no matter whether the purchase price has already been paid, L&S may choose between a) demanding a proportionate reduction; or b) having the necessary remedying work done by a third party at the expense of the Supplier; and/or c) having a new product made by a third party at the expense of the Supplier, provided that L&S acts reasonably; or d) cancel the purchase.

Section 12 Intellectual Rights

The Supplier warrants that products and services delivered to L&S do not infringe the intellectual rights of others, including but not limited to patents, trademarks and copyrights.

Section 13 Product Liability

1. The Supplier is responsible for any damage caused directly or indirectly by a defect in the products. Among other things, the responsibility covers product liability damage caused by defective materials, production defect, or construction defect. The liability also covers situations where the products are included as a component in another product or where the products are combined with another product. The Supplier is liable for any loss that is caused by the defect, including but not limited to production loss, loss of earnings, or any other financial consequential loss.

2. If a claim for damages has been raised by a third party against either the Supplier or L&S, the party in question shall immediately inform the other party about it. In recognition of the cooperation between the parties in good faith, the parties agree to try to settle such claims amicably and in a reasonable way support each other in any legal actions. The Supplier and L&S shall be mutually obliged to have legal action brought against them in a court or arbitration court, where a claim has been brought against any of the parties, when the claim is based on an injury allegedly caused by the products.

3. During the period where the Supplier delivers products to L&S and for a period of at least 5 years after termination of the last delivery of products from the Supplier to L&S, the Supplier is obliged to take out an insurance covering product liability with a minimum coverage which is further agreed between the parties. The Supplier shall upon request send a copy of the policy and the insurance terms and conditions to L&S. The premium for a such insurance shall be paid by the Supplier.

Section 14 Right of Ownership

The Buyer's draft proposal, drawings, descriptions, models, samples and the like that the Seller has used in connection with the delivery of the agreed products and/or services, remain the property of the Buyer and may be recalled on demand from the Buyer.

The Seller is under no circumstances entitled to use the Buyer's draft proposal, drawings, descriptions, models, samples and the like in connection with delivery of products and/or services to other customers.

If the Seller does not fulfill the conditions of items 6.1 and 6.2, the Buyer is entitled to a contract penalty of DKK 250,000 for each infringement, just as the Buyer is entitled to claim damages for his loss as a consequence of the infringement according to the general rules of Danish law.

Section 15 Force majeure

1. A party is not responsible for failure to comply with his obligations in the event that the party proves i) that non-performance is due to a hindrance beyond the control of the party; and ii) that the party at the time of confirmation of the order could reasonably be expected to have taken the hindrance and its effect on the party's ability to perform into consideration; and iii) that the party could not reasonably have avoided or prevented the effects of the hindrance(s).

2. The party seeking exemption from responsibility shall as soon as practically possible after the hindrance and its effect on the party's ability to perform had come to the knowledge of the party, notify the other party about the hindrance and its effects on the party's ability to perform. Notification shall also be given when the reason for exemption from responsibility comes to an end. Failure to give any notification implies that, in spite of the right to exemption from responsibility, the party is still liable in damages for loss that might have been avoided.

Section 16 Applicable Law and Venue

Any dispute that may arise in connection with the agreement shall be settled according to Danish law.

If the Parties are unable to solve disputes that may arise from the agreement on a voluntarily basis, the dispute shall be solved by 1) the general Danish courts, if the dispute concerns claim of less than DKK 2 million; or 2) by Det Danske Voldgiftsinstitut ("Danish Arbitration"), if the dispute concerns claims equal to or exceeding DKK 2 million.

If the Seller is domiciled outside the EU, the dispute shall be solved by Danish Arbitration, regardless of the size of the claim.

Disputes which pursuant to the above shall be settled by the general Danish courts, shall be commenced and judged by the Court in Kolding, unless the Parties agree differently. If disputes, in accordance with the above, shall be settled by Danish Arbitration, the arbitration shall take place in Copenhagen unless agreed otherwise by the parties.



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