

## HEXATRONIC GROUP GENERAL PURCHASING CONDITIONS

### 1 DEFINITIONS

1.1 Section 17 contains a list of definitions used in these general purchasing conditions (the "GPC").

### 2 APPLICATION AND SCOPE

2.1 These GPC shall always apply when Supplier provides Products to Purchaser, unless the Parties agree otherwise in writing. The Products may in some Supplier / Purchaser relations be Purchaser's proprietary products. These GPC contain certain provisions which address such situations specifically.

2.2 All terms and conditions proposed by Supplier that are different compared to these GPC or the Agreement shall be null and void, unless they have been expressly approved by Purchaser in writing.

2.3 A Purchase Order shall be deemed to be accepted and binding upon both Parties when performance covered by the Purchase Order has been commenced by Supplier or when acceptance has been communicated by Supplier to Purchaser in writing, whichever comes first. Acceptance of a Purchase Order constitutes Supplier's unconditional acceptance of these GPC.

2.4 The scope of supply will be set forth in applicable Agreement and may be further detailed in Purchaser's written suborders.

2.5 These contractual documents form an integral part of the Agreement: (i) Applicable Purchase Order and suborders (including appendices) (ii) the Supply Agreement and its appendices (if any) (iii) these GPC. In case of inconsistencies between the contractual documents, they shall prevail in said order.

### 3 PRICES AND PAYMENT

3.1 The prices set forth in the Agreement are fixed and include all taxes, charges, duties and fees payable up to and including delivery. Unless otherwise has been agreed in writing, payment shall be made within ninety (90) days from date of complete and successful delivery of Products (including Documents to be provided by Supplier) and the receipt of correct invoice. In case of delayed payment, Supplier shall be entitled to claim interest on the delayed amount in accordance with the Swedish Interest Act, provided that the total interest that Supplier is entitled to exceeds SEK 1,000.

### 4 DELIVERY

4.1 Unless otherwise has been agreed in writing, the Products shall be delivered DAP to the Delivery Point according to INCOTERMS 2010.

4.2 Title to the Products shall pass upon delivery.

4.3 The Products shall be delivered on agreed date of delivery according to the Agreement. Partial deliveries are not allowed unless approved by Purchaser beforehand in writing.

4.4 Should Supplier become aware of reasons to believe that an agreed delivery date cannot be met, Supplier shall immediately notify Purchaser in writing, stating the cause of the delay and an estimated delivery date. Such notification shall not limit Supplier's liability for delay according to this Agreement or applicable law. If Supplier fails to give such notice in due time, Purchaser shall be entitled to compensation for all additional costs and expenses incurred as a result thereof which Purchaser could have avoided if the notice had been duly given.

4.5 If the Products are not delivered within the agreed time due to circumstances for which Supplier is liable, Purchaser shall, for each commenced week of delay, be entitled to liquidated damages amounting to one (1) percent of the relevant Purchase Order price. The liquidated damages shall however not exceed fifteen (15) percent of said price. Independently of the now said, Purchaser shall be entitled to cancel the relevant Purchase Order or parts thereof, provided that the delay is not insignificant. If the Purchase Order is cancelled, Purchaser shall be entitled to additional compensation, in case the actual damage exceeds the liquidated damages.

## **5 PACKING**

- 5.1 The Products shall be packed as required to protect the Products under normal transport conditions to prevent damage to or deterioration of the Products while in transit. The Products shall be packed and marked in accordance with Purchaser's instructions and specifications. The Purchase Order number and product numbers (if any) shall be set out in the shipping documents.

## **6 WARRANTY AND LIABILITY FOR DEFECTS**

- 6.1 Supplier warrants that it has and will maintain sufficient rights and interests in and to the Products. Supplier warrants that the Products will perform and conform to the Specification and will be free from defects, deficiencies and non-conformities in design, materials and workmanship. Deviations from the previously mentioned shall constitute a defect for the purpose of these GPC.
- 6.2 If Purchaser is the proprietary owner of the Intellectual Property Rights of the Products, and Supplier provides Products which are produced based on Purchaser's Documentation, Supplier's warranty is limited to defects due to manufacturing errors and defects in material sourced by Supplier.
- 6.3 The warranties above shall apply throughout the Warranty Period. The Products shall comply with Mandatory Requirements as long as provided for under applicable law.
- 6.4 Products delivered may be rejected by Purchaser and returned at Supplier's risk and expense if at any time found defective, deficient or non-conforming in the above-mentioned respects (below in this section referred to as "defect(s)") during the Warranty Period. In such cases Supplier shall be obliged at its own cost to, at the option of Purchaser, either repair the Products or replace them with new Products that are free from defects, unless Purchaser cancels the Purchase Order concerned, wholly or in part. Repair and replacement shall be carried out promptly upon demand. When a defect has been remedied, Supplier shall be liable for defects in the replaced or repaired Product under the same terms and conditions as those applicable to the original Product for an additional time period corresponding to the Warranty Period.
- 6.5 If Supplier fails to fulfill its obligations above within the prescribed time, Purchaser may, without prejudice to other remedies available, undertake, or engage a third party to undertake, necessary remedial works at the risk and expense of Supplier.
- 6.6 In addition to the warranties above, Supplier shall be obligated to remedy any systematic defects in the Products. A systematic defect is a defect of the same or substantially the same type, that appears or is likely to appear during the reasonably expected life time of the concerned Products in more than one per cent (1%) of the such Products delivered during any relevant time period, such time period to be determined by Purchaser in its sole discretion, however not less than a time period of three (3) consecutive months. In case of a systematic defect in the Products, Supplier shall promptly: a) at no charge to Purchaser, replace all units of the respective Products delivered up to the time that the systematic defect has been remedied by Supplier; b) reimburse Purchaser for the actual costs for investigating and analyzing the scope of and consequences resulting from the systematic defect, and the actual costs for the removal and replacement of such defective Products at the sites; and c) indemnify Purchaser for all other costs and damage incurred by Purchaser in connection with such defective Products. Supplier's obligations regarding systematic defects shall be applicable for the full expected life time of the relevant Products, which time, however, never shall be shorter than five (5) years from the delivery of the relevant Products.
- 6.7 Purchaser's rights under this section 6 are in addition to any other right or remedy that it may have against Supplier for defects or other nonconformities of the Products under the Agreement, these GPC or at law.

## **7 PRODUCT LIABILITY**

- 7.1 Should the Products have a defect which causes damage to persons or to other property than such Products, Supplier shall indemnify and hold Purchaser harmless for such damage. If a recall is necessary, Supplier shall be responsible for all costs due to such recall.

## **8 INSURANCE**

- 8.1 Supplier shall during the term of the Agreement, and for a relevant time period thereafter, maintain adequate general liability and other appropriate insurances for all its obligations under the Agreement.
- 8.2 Supplier shall, upon Purchaser's request, provide satisfactory evidence demonstrating that the abovementioned insurances exist and will continue to apply for a relevant period of time.

## **9 INTELLECTUAL PROPERTY RIGHTS**

- 9.1 Neither Party may use Confidential Information or Intellectual Property Rights of the other Party for any other purposes than due performance of their undertakings towards each other under the Agreement. Purchaser shall however be entitled to use Intellectual Property Rights of Supplier to the extent necessary to sell, distribute, install, integrate, commission, operate, maintain and service the Products.
- 9.2 Documents prepared by Supplier on Purchaser's assignment shall be the exclusive property of Purchaser and constitute Purchaser's Intellectual Property Rights.
- 9.3 Supplier's warranty for non-infringement set forth in section 9.4 below shall not apply in case Purchaser is the proprietary owner of the Intellectual Property Rights of the Products, and Supplier has manufactured the Products in accordance with Purchaser's Documentation, and the infringement is due to Purchaser's Intellectual Property Rights.
- 9.4 Supplier warrants that the Products will not infringe any third party Intellectual Property Rights. Supplier shall indemnify and hold Purchaser harmless from and against any and all damages suffered and costs and expenses (including reasonable attorneys' fees) incurred as a result of any claim, suit or proceeding brought against Purchaser or any of its customers based on the allegation that the use, sale, distribution or other disposal of any Products constitutes an infringement of any Intellectual Property Rights or applications thereof or an unauthorized use of know-how, trade secrets or other proprietary rights.
- 9.5 In the event that the Products or any part thereof are in such claim, suit or proceeding held to constitute an infringement or their further use, sale, distribution or other disposal is enjoined, Supplier shall promptly, at its own cost and expense but at Purchaser's option, either; (a) procure for Purchaser and/or any concerned customer the right to continue the use, sale, distribution or other disposal of such Products; or (b) replace the same with non-infringing Products of equivalent function and performance; or (c) modify such Products so that they become non-infringing without detracting from function or performance.

## **10 CONFIDENTIALITY**

- 10.1 Each Party shall during the period of the Agreement and three (3) years after expiry hereof treat any Confidential Information concerning the other Party, received in connection with or as a consequence of the Agreement, as strictly confidential and ensure that unauthorized personnel and third parties will not get access to such information. In case the Parties have signed a non-disclosure agreement which is more extensive than the provisions in this section, the provisions of such non-disclosure agreement shall take precedence.

## **11 COMPLIANCE**

- 11.1 Supplier warrants that it will comply with all applicable laws and regulations of the country(ies) having jurisdiction over Supplier. In addition, the Products shall meet the regulatory requirements imposed by the laws and regulations of any governmental entity having jurisdiction over the production of the Products and the territory to which the Products are supplied by Supplier, including but not limited to the EU directive regarding requirements of banned and restricted substances. Supplier shall follow the Reporting requirements in Conflict minerals according to US Dodd-Frank Act Sec 1502.
- 11.2 Supplier shall comply with Purchaser's Code of Conduct and shall uphold a code of conduct in accordance with Purchaser's Code of Conduct (the latest version thereof can be found at <https://hexatronicgroup.com/en/supplier/>) and undertakes to fulfil the requirements specified therein.

- 11.3 If applicable and upon Purchaser's request, Supplier shall provide product certificates, country of origin documentation, export classifications and information about the material content for the Products. Upon request, Supplier undertakes also to provide information about environmental aspects of the Products, production and transportation of goods.
- 11.4 Supplier is responsible for obtaining and maintaining any export license(s) required for delivery of the Products to Purchaser unless otherwise has been agreed in writing. Supplier shall issue all other documents reasonably requested by Purchaser, regarding export and import of the Products.
- 11.5 Supplier undertakes to comply with the applicable requirements in the ISO 9001 quality system standards and the ISO 14001 environmental system standards or equivalent system. Use of any other standards must be approved by Purchaser in advance. Supplier agrees to employ a systematic way of working with OHS (occupational health and safety) and agrees to use a management system for OHS preferably according to OHSAS 18001.

## **12 INSPECTION**

- 12.1 Purchaser shall be entitled to inspect the Products and the production thereof, including the relevant quality assurance system, at the premises of Supplier and its subcontractors, subject to adequate non-disclosure undertakings on Purchaser's end and subject to reasonable notice.

## **13 REMEDIES**

- 13.1 In case Supplier acts in breach of the Agreement, including these GPC, Supplier shall hold Purchaser harmless from and against all reasonable loss, liability, cost and expense arising out of such breach. The remedies set forth herein are cumulative and in addition to rights and remedies at law.

## **14 FORCE MAJEURE**

- 14.1 The performance of either Party, required by the Agreement, shall be extended by a reasonable period of time if such performance of the respective Party is impeded by an unforeseeable event beyond such Party's control, which could not be reasonably foreseen and prevented, which shall include but not be limited to acts of God, industrial actions, riots, wars, embargo or requisition (acts of government), hereinafter referred to as "Force Majeure".
- 14.2 In case of Force Majeure, the relevant Party shall promptly notify and furnish the other Party in writing with all relevant information thereon. Should an event of Force Majeure continue for a consecutive period of more than three (3) months, Purchaser shall have the right to terminate the Agreement. In such a case, Purchaser shall pay to Supplier the price of Products delivered up to the date of termination.

## **15 NON-WAIVER**

- 15.1 The failure by either Party to enforce any provisions of the Agreement or to exercise any right in respect thereto shall not be construed as constituting a waiver of its rights thereof.

## **16 GOVERNING LAW & JURISDICTION**

- 16.1 The Agreement shall be governed by the laws of Sweden as applied between Swedish legal entities without regard to its conflict of law provisions.
- 16.2 Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC Institute"). The Rules for Expedited Arbitrations of the SCC Institute shall apply, unless the SCC Institute, taking into account the complexity of the case, the amount in dispute and other circumstances, determines, in its discretion, that the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply. In the latter case, the SCC Institute shall also decide whether the arbitral tribunal shall be composed of one or three arbitrators. The place of arbitration shall be Stockholm, Sweden. The language used in the arbitral proceedings shall be English. Notwithstanding the foregoing, each Party shall be entitled to seek equitable or injunctive relief in an applicable jurisdiction for a breach of confidentiality by the other Party, or for a violation of the Party's Intellectual Property Rights.

- 16.3 The Parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration clause will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the prior consent by the other Party.

## 17 LIST OF DEFINITIONS

**“Agreement”** shall mean a binding agreement entered into between the Parties in the form of a frame agreement or a supply agreement or similar (“Supply Agreement”) or a binding Purchase Order, in case the Parties have not entered into a Supply Agreement. These GPC form an integrated part of the Agreement, also if no reference is made to these GPC.

**“Confidential Information”** shall mean information of any kind, whether written or oral, including without limitation financial, commercial and technical information, trade secrets, customer lists and other information, regarding the Parties and their affiliates, which is not known to the general public.

**“Delivery Point”** shall mean the point to which delivery shall be made according to the Agreement.

**“Documentation”** shall mean all such information, drawings and documentation necessary to allow Purchaser to (as the case may be) adequately install, integrate, commission, operate, maintain and service the Products.

**“Intellectual Property Rights”** shall mean all intellectual and industrial property rights (whether registerable or not) including but not limited to inventions, patents, trademarks, domain names, trade names, registered and unregistered design rights, copyrights (including copyrights in software), neighboring rights and database rights, Confidential Information and proprietary information including know-how, and any other rights of a similar kind, whether registered or not, including renewals applications for the registration of such rights.

**“Mandatory Requirements”** shall mean all laws, ordinances, codes, rules and regulations that the Products shall comply with in relevant jurisdictions.

**“Party/Parties”** shall mean Purchaser and Supplier, individually or jointly as the case may be.

**“Product(s)”** shall mean such products, equipment, components, material, hardware, software and / or other objects (tangible or intangible) being the subject matter of the Agreement.

**“Purchaser”** shall mean the HEXATRONIC legal entity indicated as purchaser in the Supply Agreement or in the Purchase Order.

**“Purchase Order”** shall mean a purchase order placed by Purchaser and approved by Supplier in accordance with the Agreement.

**“Specification”** shall mean the criteria that the Products shall comply with, including but not limited to functionality, material and Mandatory Requirements. The term Specification shall also include what Purchaser reasonably can expect from a similar product, provided by a professional supplier, under similar conditions.

**“Supplier”** shall mean the legal entity indicated as supplier in the Supply Agreement or in the Purchase Order.

**“Supply Agreement”** shall mean a frame agreement or a supply agreement or similar agreement regarding Products (if any) entered into between the Parties (if any), including all its appendices such as these GPC.

**“Warranty Period”** shall mean the warranty period set forth in the Agreement or, if no such period has been stated, twenty-four (24) months from delivery or from acceptance, if an acceptance procedure has been agreed by the Parties, whichever comes latest.

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