

**General Purchasing Terms of NKT
for Supplies and Services
– Version of 9.9.2017 –**

1. Applicability

- 1.1 Applicability.** These General Purchasing Terms (“these Terms”) apply to goods, materials or equipment and associated documentation and services (the “Supplies and Services”) provided to *NKT cables Group A/S or its subsidiary companies* (“NKT”) acting as the buyer.
- 1.2 Modification of these Terms.** These Terms are only modified by the conditions explicitly stated in a purchase order issued by NKT or in a written agreement signed by NKT. No conduct of NKT is deemed to constitute acceptance of any terms of sale put forward by the *seller of the Supplies and Services* (the “Supplier”).
- 1.3 Elements of the contract.** The elements of the contract are – in their order of priority in case of conflicts – the purchase order, the specifications attached to it, these Terms and the generally recognized technical rules and regulations at the place of performance.

2. Placing of Orders

- 2.1 Form and validity.** Only written form or text from purchase orders are binding on NKT. The purchase order is valid for acceptance by the Supplier for 4 business days.
- 2.2 Cancellation.** NKT may cancel or change the relevant purchase order free of charge before the commencement of the production of each product and up to 1 month ahead of the start of work for each Service. NKT may also terminate a contract at its convenience in whole or in part by written notice to the Supplier. NKT will thereupon only be liable to pay to the Supplier the price of the delivered Supplies and performed Services and the proven direct unavoidable costs reasonably incurred by the Supplier for the Supplies and Services which were not delivered due to the termination.

3. Prices, Invoicing and Payments, Title, Intellectual Property

- 3.1 Prices.** Prices are fixed as stated in the purchase order and inclusive of:
- a) all applicable duties, fees and taxes (excl. VAT);
 - b) packaging; and
 - c) delivery at the place of delivery designated by NKT.
- 3.2 Invoice particulars.** After correct delivery and completion of the Supplies and Services invoices may be issued to NKT. The invoices must include an adequate description of the Supplies and Services and reference to NKT’s order and NKT’s product specification numbers.
- 3.3 Payment deadline.** NKT pays within 60 days after the end of the month in which the correct invoice is received by NKT. Legal place of payment is NKT’s seat.
- 3.4 Transfer of title.** Transfer of title occurs at the earlier of: payment by NKT or acceptance of Supplies and Services by NKT.
- 3.5 Intellectual Property.** The Supplier grants to NKT a worldwide, irrevocable, transferable, non-exclusive, royalty-free license to use the intellectual property rights and know-how incorporated in the Supplies and Services for the purposes of the contract and for the fulfillment of NKT’s contracts towards its customers.

4. Delivery and Delay

- 4.1 Place and time of delivery.** The Supplies and Services must be delivered on the date designated in the purchase order or as otherwise agreed by NKT in writing. Delivery must be made DDP (Incoterms 2010) at the place of delivery designated by NKT unless otherwise stated in the purchase order.

- 4.2 Forwarding instructions.** Supplier must abide by the forwarding instructions issued by NKT.
- 4.3 Packaging and protection.** The Supplies must be suitably packaged and secured to ensure safe delivery. The packaging must identify the Supplies and must be accompanied by a packing list describing the Supplies, including NKT's order number, NKT's material number (if applicable), gross and net weight and quantities. NKT may reject Supplies that have not been properly packaged or were damaged. The site and result of the Services must be suitably protected and secured by the Supplier until acceptance by NKT.
- 4.4 Documentation.** The Supplies and Services must be accompanied by all shipping documents, quality documents, operating instructions in the language of the country of the NKT entity entering into this contract, export and import certificates, licenses and other certificates and documentation required by NKT. The Supplies and Services are not considered delivered until the documentation is provided to NKT.
- 4.5 Delay notification.** If the Supplier becomes aware that the agreed delivery date cannot be met, then the Supplier must immediately notify NKT in writing, stating the cause of the delay and an estimated delivery date. The notification does not limit Supplier's liability for delay according to these Terms or applicable law.
- 4.6 Delay damages.** Timely delivery is of the essence. NKT is entitled to consider any delay in delivery as a fundamental breach of Supplier's obligations. If the Supplies and Services are not delivered at the agreed dates NKT may claim liquidated damages of 2% of the price of the Supplies and Services per commenced week, however maximum 10% of the price of the Supplies and Services. The compensation is increased or decreased if a Party proves that the actual damage suffered was different from the liquidated damages. NKT is entitled to withdraw from the contract without liability towards Supplier if the delay damages have reached the maximum limit.
- 4.7 Suspension for breach.** NKT is entitled to fully or partially suspend the performance of the contract without compensation to the Supplier if the Supplier breaches the contract (for example a deviation in the agreed characteristics of the Supplies and Services is identified) until the breach has been remedied.

5. Inspection and acceptance

- 5.1 Inspection upon use.** The Supplier accepts that NKT will first inspect the Supplies and Services and associated documentation when the Supplies and Services are put to use or into operation by NKT. NKT is not obliged to inspect Supplies and Services upon delivery. If NKT discovers a defect it will notify the Supplier within 1 month of discovery. Payment does not constitute an acknowledgement that the corresponding Supplies and Services were provided in accordance with the contract.
- 5.2 Inspection does not influence NKT's rights.** The inspections of the Supplies and Services and associated documentation by NKT do not relieve the Supplier of its obligations. NKT may reject Supplies and Services that have been delivered in breach of the Supplier's obligations.
- 5.3 Transfer of risk.** For the Supplies and Services involving installation, commissioning or other services the transfer of risk occurs on acceptance. For Supplies and Services not involving installation or commissioning the transfer of risk occurs according to the agreed Incoterm.
- 5.4 Damages for non-compliance.** If the Supplies and Services are not compliant with the contract NKT may claim liquidated damages for each non-compliance of 200 Euros from the Supplier. The compensation is increased or decreased if a Party proves that the actual damage suffered was different from the liquidated damages.

6. Warranty and assured characteristics

- 6.1 Scope of warranty and assured characteristics.** The Supplier warrants that:
- a) the Supplies and Services are in full conformity with the contract and contain no deviation from the conditions last approved by NKT (as the case may be via samples, inspection or documents);
 - b) they are new, state of the art, of a merchantable quality and fit for the purpose made known to the Supplier expressly or by implication by NKT;
 - c) they are free from defects in material, construction, design, manufacture, workmanship and title; and
 - d) the Supplies and Services comply with all applicable statutory requirements and regulations at the time of delivery.
- 6.2 Duration.** The duration of the warranty is 2 years. It commences upon NKT putting the Supplies and Services to use or into operation or are sold on by NKT, whichever occurs earlier. In any case the warranty starts at latest 1 year after transfer of risk. If the applicable law provides for a longer duration of the warranty, than that duration applies.
- 6.3 Remedy.** If any defect manifests itself, the Supplier must – at the option of NKT – repair or replace the Supplies and Services immediately at its own cost. A new warranty period begins for the replaced or repaired Supplies and Services. However, the warranty is extended in aggregate by maximum 24 months.
- 6.4 Statutory warranty rights.** The above guarantee obligations of the Supplier are in addition to the rights of NKT and the obligations of the Supplier under applicable law: including the right for NKT to terminate the contract, to replace and to repair the Supplies and Services at the cost and risk of the Supplier.
- 6.5 Serial defect.** If three identical Supplies or Services have a defect during the warranty period or in NKT’s reasonable opinion the risk of a serial defect exists then the Supplier is obliged to investigate the root cause of the defect and on request of NKT must replace or re-perform all non defective Supplies and Services of the same kind, except for which the Supplier can conclusively prove that these will not be affected by the defect.

7. Liability and insurance

- 7.1 Indemnity.** The Supplier must indemnify and hold NKT harmless from all actions, suits, claims, costs, damage and losses suffered or incurred by NKT, including third party claims that relate to:
- a) Supplier’s breach of its obligations under the contract;
 - b) negligent or willful acts or omissions causing damage by the Supplier, its agents or subcontractors, including freight carriers engaged by Supplier;
 - c) any product liability claim relating to the Supplies and Services; and
 - d) any infringement or alleged infringement of any intellectual or industrial property rights of a third party anywhere that relates to the Supplies and Services or the process of manufacturing the Supplies and Services.
- 7.2 Insurances.** The Supplier must maintain business and product liability insurance that adequately covers the Supplier’s liability.

8. Confidentiality and right of use

- 8.1 Confidentiality.** All drawings, specifications, recipes and information (the “Information”) provided by NKT to the Supplier are the confidential property of NKT. The Supplier may not disclose the Information to any third party. The Information must be protected against unauthorized access. The Information must be returned to NKT at the request of NKT.
- 8.2 Right of use.** The Supplier may only use the Information for the explicit purpose of performing the contract.
- 8.3 Substances and certification.** The Supplier is obliged to ensure that the Supplies and Services do not contain any banned substances as set out in REACH or other similar legislation.

9. Compliance

- 9.1 Business Integrity.** Upholding high ethical standards, acting with integrity and in compliance with applicable laws and regulations is a fundamental obligation of the Supplier. The Supplier must also comply with the NKT Code of Conduct for Vendors and Business Partners in the current version at the time of entering into contract (always available under www.nkt.com).
- 9.2 Anti-Corruption.** The Supplier must comply with, and have in place adequate procedures designed to prevent an employee or an associated person in any way connected to this agreement from engaging in conduct which would infringe anti-bribery and anti-corruption provisions, including the UK Bribery Act 2010 and the United States Foreign Corrupt Practices Act.
- 9.3 Anti-Slavery.** The Supplier must comply with, and have in place adequate procedures designed to ensure that an employee or an associated person in any way connected to this agreement complies with anti-slavery provisions, including the UK Modern Slavery Act.
- 9.4 Foreign trade sanctions.** NKT is not obliged to fulfill the contract if the fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements, embargoes or other sanctions, unless NKT should have been aware of these obstacles when the contract was concluded.
- 9.5 Corrective actions and Audit rights.** Supplier must promptly take all appropriate steps to resolve and correct any identified non-conformity with this agreement. Upon request of NKT, the Supplier will promptly provide detailed information on its level of compliance with this agreement. The Supplier will enable NKT to satisfy itself of the compliance with all the obligations deriving from the contract at reasonable time intervals. Upon NKT's request the Supplier must provide detailed information on the level of compliance with all of its contractual obligations and will grant at no cost to NKT access to its premises and documentation during working hours after a prior agreement on the date.
- 9.6 Right to terminate.** A breach of this clause "Compliance" is a fundamental breach and entitles NKT to terminate the agreement by written notice with immediate effect.

10. Law and Dispute Resolution

- 10.1 Applicable law.** The contract including these Terms is governed by the law of the country where the NKT entity entering into this contract has its seat.
- 10.2 Dispute resolution.** The Parties will seek to settle any dispute by amicable negotiations. All disputes arising out of or in connection with this contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with the said Rules. The arbitration proceedings shall be in English. The seat of arbitration is the capital city of the country where NKT entity entering into this contract has its seat.
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