

## Terms and conditions of purchase

### **1. General**

- a. These terms and conditions of purchase apply to any purchase (hardware as well as software) made by DAMM Cellular Systems A/S (referred to as DCS).
- b. Deviations from these terms and conditions of purchase are valid only subject to written consent by DCS prior to delivery of order.

### **2. Conclusion of contract and/or order**

- a. The scope of supply shall be based on DCS order specification
- b. The Supplier shall provide DCS with the order confirmation within 5 working days from the date of receipt of the DCS order specification including prices and delivery time.
- c. Only agreements concluded in writing are binding.

### **3. Prices and payment terms**

- a. Prices must be itemized and valid for 12 months.
- b. Unless otherwise agreed in writing, the terms of payment are current month + 60 days.
- c. Payments are executed in Danish Kroner (DKK), Euros (EUR), or US Dollars (USD).

### **4. Delivery and delay**

- a. The time of delivery stipulated in DCS' purchase order shall be strictly observed. The time of delivery is specified as the time of delivery at the place of delivery specified by DCS. The term of delivery is DDP (Delivered Duty Paid) (according to the current version of Incoterms). Deviations are accepted only subject to written consent by DCS prior to delivery.
- b. Order confirmations must be in writing and must state the DCS order number as well as the price, number of units and time of delivery for each item.
- c. In the event that the consignment is delayed, DCS is entitled to cancel the order, also in respect of specifically manufactured goods, and DCS is under no obligation to pay for any work commenced on such order. However, the order cannot be cancelled by DCS in case of a delay of less than 2 weeks. If the order is not cancelled by DCS, the Supplier must dispatch the goods by the quickest possible means of transport at his own expense. DCS may at any time demand that the goods be handed over at the Supplier's premises in order for DCS to arrange transportation at the Supplier's expense.
- d. In case of delay the Supplier may compensate DCS for liquidated damages amounting to 0.8% for every completed week of delay but in no case more than 4% of the price for the goods so delayed.

### **5. Variations**

- a. Quantity variations are accepted only subject to prior written agreement.
- b. No variation in specifications is accepted.
- c. In the event the goods delivered by the Supplier do not conform with an order whether by reason of not being of the quality or measurement

stipulated or being unfit for the purpose for which they shall be used, DCS shall have the right to reject such goods within a reasonable time of their delivery and inspection and to purchase the goods elsewhere and to claim for any additional expense incurred without prejudice to any other right which DCS may have against the Supplier.

## **6. Force majeure**

- a. Should one of the Parties be prevented from fulfilling the Agreement due to force majeure, including but not limited to war, riots, blockades, fire, explosion, governmental conditions, e.g. prohibition against import or export, seizure, mobilization or monetary restrictions, arising from the above circumstances, the Party affected by such force majeure must inform the other Party of the circumstances in writing. The obligations for the Parties to fulfil the Agreement are postponed for as long as the force majeure situation lasts. Shortage of goods and/or mechanical breakdowns and/or delays from sub suppliers are not to be considered a force majeure situation.
- b. If the force majeure situation leads to postponement of the delivery for more than 90 calendar days compared to the delivery time agreed, either Party has the right to terminate the Agreement with immediate effect by providing the other Party with a written notice of the termination.
- c. Force majeure can only be claimed if the Party in question has informed the other Party of this in writing no later than 3 working days after the force majeure situation has set in.

## **7. Material made available by DCS**

- a. All material and tools specified or procured at the request of DCS must be handled confidentially and used exclusively for deliveries for DCS.
- b. The said material and tools must be handed over to DCS upon request.
- c. Tools etc. must be maintained without any costs on the part of DCS and the Supplier must take out insurance hereof for the full replacement value.

## **8. Quality requirements, changes in the work process and products**

- a. The Supplier is responsible for the compliance of the delivered goods with the agreed technical specifications and quality requirements, including requirements for product approvals (e.g. VDE and UL).
- b. Moreover, the Supplier is responsible for the compliance of the delivered goods with the rules and regulations, statutory provisions, norms, standards etc. applicable in Denmark and in the EU. In case of products destined for customers outside the EU, DCS is entitled to request that the products fulfil additional specifications, requirements, approvals, regulations, statutory provisions, norms, standards etc., applicable in the country in question.
- c. ROHS, WEEE and REACH  
The Supplier must guarantee that
  - i. all products delivered are RoHS compliant in accordance with the latest RoHS directive,
  - ii. they comply with the, at any time applicable, WEEE Directive,
  - iii. all products delivered comply with the, at any time applicable, REACH regulation.

- d. Changes in the work process and/or the products must be notified to DCS without delay and no later than 3 months prior to the agreed time of delivery.

### **9. Last Time Buy (LTB) / End of Life (EOL)**

The Supplier must inform DCS immediately in case a component or product will be discontinued (EOL) and give at least 6 months' notice hereof. The Supplier shall offer DCS relevant information such as component specification and pricing – including LTB – for discontinued items and suggested alternatives together with the information of discontinuation. The Parties must agree on the actions to be executed, once such discontinuation occurs.

### **10. Quality co-operation**

- a. Supplier audit  
The Supplier must allow DCS to have their quality assurance and quality control systems and procedures audited by DCS or any assigned third party upon request.
- b. Non-conforming material  
If DCS identifies non-conforming material, DCS will notify the Supplier. The Supplier is required to immediately inspect, segregate and replace similar parts within their own facilities to ensure that DCS will not receive additional parts within their own facilities to ensure that DCS will not receive additional deliveries of non-conforming products (containment). In case of the Supplier's delivery of non-conforming products, the Supplier shall make a replacement delivery in accordance with clause 11 below. Alternatively, DCS may request that the Supplier credits defective products. Returned products shall immediately be credited upon receipt by the Supplier after the Supplier has obtained an RMA (Return Material Authorization).  
DCS shall not be obliged to place an extra order equivalent to the volume returned.

### **11. Warranty**

- a. The Supplier warrants that the delivered goods meet the agreed requirements, cf. clause 8.
- b. The warranty period is 24 months, calculated from the delivery of the DCS product to DCS' customer. However, the warranty period expires no later than 36 months after delivery to DCS.
- c. If errors or defects are established within the warranty period, the Supplier must make a replacement delivery without any costs on the part of DCS. Alternatively, DCS may request that the Supplier credits defective products. Other means to remedy the defects may be agreed if such remedial action can be taken without causing any inconvenience to DCS and to DCS' customers.
- d. In the event of remedial action, the following deadlines apply:  
Delivery of goods in replacement must take place as soon as possible and no later than 1 week after the Supplier has been informed of the defect. If delivery of goods in replacement cannot be effected within the time stipulated, a plan for repair of the defect must be presented by the Supplier instead, including a specification of when such repair will be completed.

- e. The Supplier must indemnify DCS for any and all costs in connection with the remedy. Such costs include, among others, DCS' own staff costs, any claims from third parties resulting from the defect including consequential delay, and direct expenses in connection with the remedy. Apart from this, the Supplier is not liable for defects.
- f. DCS is entitled to return defective products at the expense of the Supplier. DCS issues an invoice for the cost of returning the goods, and the Supplier credits DCS for the price of the defective goods.
- g. The Supplier warrants the quality of the products at delivery. DCS is under no obligation to examine the goods upon receipt. The quality of the delivered products will be examined gradually, as the products are used in DCS' production.
- h. The limitation period to give notice of any errors or defects in the goods is 30 days after DCS has become aware of the fault or defect.

## **12. Product liability**

The Supplier is liable for damages and injuries caused by the delivered goods and is obliged to indemnify DCS for product liability and any loss related to defects in the delivered products. The product liability has an unlimited duration. The Supplier is held responsible for any claim for damages raised against DCS on the basis of damages or injuries that may have been caused by the delivered goods.

## **13. Disputes, applicable law and venue**

All disputes arising out of or in connection with these terms and conditions shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules governed by the substantive law of Denmark.

The language of arbitration shall be English.

The arbitration shall be held in Copenhagen, Denmark.