

## Joint terms of business for Aalborg Forsyning (goods)

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### 1. Application

- 1.1. These terms of business apply to agreements on the purchase of goods by Aalborg Forsyning, including any associated installations, unless otherwise agreed.
- 1.2. The terms of business govern the relationship between the Seller and the Buyer and replace any other terms and/or conditions, including the Seller's terms of business or the like. Furthermore, these terms of business apply prior to the provisions of the Danish Sales of Goods Act and other non-mandatory legislation, where these terms of business deviate from the provisions herein.
- 1.3. If the Seller's terms or the like are stated on the Order Confirmation that do not comply with these terms of business, such terms will not apply. The Buyer is not bound by any insertions, waivers, omissions or amendments to Purchase Orders, unless there is an express written agreement to this effect with the Buyer. Written communication also includes emails.
- 1.4. To the extent that a condition is not directly regulated in these terms of business, the general rules of Danish law apply.

### 2. Definitions

- 2.1. "Seller" is defined as the supplier of the Delivery/Goods. The Seller is indicated in the Purchase Order.
- 2.2. "Buyer" is defined as Aalborg Forsyning, respectively the management or company of the Aalborg Forsyning Group, which purchases the goods in question.
- 2.3. "Purchase Order" is defined as the Buyer's written order of the Delivery/Goods.
- 2.4. "Order Confirmation" is defined as the Seller's written confirmation of the order and their delivery obligation.
- 2.5. "Agreement" is defined as the entire contractual basis for the Delivery/Goods, including Purchase Order, Order Confirmation and these terms of business.
- 2.6. "Delivery"/"Product" is defined as the delivery/goods that the Seller must deliver to the Buyer in accordance with the Agreement.

### 3. Placing and confirmation of orders

- 3.1. All Deliveries are made on the basis of a Purchase Order issued by the Buyer, unless otherwise stated in a written agreement between the parties. The buyer's order number appears in the Purchase Order and must also appear in all subsequent correspondence regarding the Delivery.
- 3.2. Upon receipt of the Purchase Order, the Seller must submit an Order Confirmation, in which it

states the Seller's contact person regarding the Delivery, as well as confirming both the price and the delivery time.

- 3.3. All prices include any customs duties, environmental tax and other taxes applicable at the time of the Order Confirmation. In the case of new or altered charges, the prices must be adjusted so that the Seller is indemnified for this.

### 4. Delivery and installation

- 4.1. The Seller delivers the Goods covered by the Agreement in accordance with the agreed terms, including at the agreed time and at the agreed place of delivery.
- 4.2. Delivery to any address specified by the Buyer must be made Delivery Duty Paid (Incoterms 2010). Costs associated with the delivery of the Goods, including the costs of packaging, shipping, invoicing, possible assembly, etc. must be specified, cf. for instance Section 6.2, but be included in the agreed price. Expenses that are not stated separately in the Purchase Order or Order Confirmation are of no concern to the Buyer and demands cannot be made for the Buyer to settle it.
- 4.3. Regardless of whether the delivery is made Delivery Duty Paid, cf. Section 4.2, the Goods at the place of delivery must be unloaded at the Seller's expense and risk. Delivery of the Goods is thus deemed only to have taken place upon a satisfactory delivery in unloaded state at the Place of Delivery and when the Buyer has acknowledged receipt. At this time, the risk of accidental destruction and deterioration of the Goods transfers to the Buyer.
- 4.4. Upon delivery, the Goods must be accompanied by a delivery note with reference to the Buyer's order number as well as the specification of the Goods delivered. Agreed backorder deliveries must appear on the delivery note stating the delivery date for this.
- 4.5. If it is agreed that the Seller is responsible for the assembly of the Goods, or if this is otherwise conditioned by the parties, the costs thereof must be included in the price of the Delivery. The Seller must test the functionality of the Goods in the context in which they feature, and delivery will only be considered to have taken place once the Goods have been tested and found to be functional in the context in which they feature.

### 5. Scope and quality of the delivery

- 5.1. The scope of the Delivery is stated in the Purchase Order submitted by the Buyer with the accompanying order confirmation from the Seller as well as other documents belonging to the Agreement.

5.2. The Goods must – to the extent that they are not specified in the Purchase Order - be of usual good quality, new and unused and, moreover, in accordance with the Agreement.

5.3. The goods must overall comply with applicable law.

5.4. To the extent that the usual use and maintenance of the Goods require instruction and guide on this, the Delivery also includes such instructions and guides, including installation, operating and/or maintenance material or the like.

## **6. Invoicing and payment**

6.1. Invoicing must be done electronically in accordance with existing legislation. For this purpose, the Seller must use the EAN, which has been provided by the Buyer.

6.2. The electronic invoice must as a minimum include the following information:

6.2.1. Seller's name and Navision no.

6.2.2. Buyer's EAN and case no.

6.2.3. Buyer's order no. and any IGM no.

6.2.4. Name of Buyer's contact person

6.2.5. Payee information

6.2.6. Specification of items of expenditure in accordance with Section 4.2.

6.3. Payment presupposes delivery conforming to contract, and the Buyer is thus entitled to withhold a proportionate part of the payment for the Delivery until any defects have been rectified or the Seller has made a delivery conforming to contract, cf. also Section 7. Payment for the Delivery does not prevent the Buyer from making a claim for lack of conformity against the Seller.

6.4. The term of payment is 30 calendar days after receiving the invoice issued in accordance with Section 6.2.1-6.2.6.

6.5. In case of late payment, the Seller may claim interest from the due date at the default interest rate applicable at any given time, cf. the rules of the Overdue Payments Interest Act.

## **7. Defects**

7.1. If defects or deficiencies are found in the Delivery, the Seller is obliged, without undue delay after the Buyer has submitted a complaint in accordance with Section 9, to rectify or replace (the defective part of) the Delivery. Rectification and replacement of delivery must be done free of charge and with the least possible nuisance to the Buyer.

7.2. If the Seller does not carry out rectification/replacement of delivery free of charge without undue delay, the Buyer may give the Seller a final deadline of not less than five working days to carry out the rectification/replacement of delivery in question. If the Seller has not rectified/replaced the delivery before the expiry of the final deadline, the Buyer

may have the defects claimed rectified at the Seller's expense (compensation for rectification), demand a reduction in the purchase price or conduct cover purchases and claim indemnity for this from the Seller.

## **8. Delays**

8.1. In the event of a delay in the Delivery, the Seller is liable to the Buyer in accordance with the general rules of Danish law.

8.2. If the Delivery is not delivered within five working days of the agreed delivery time, the Buyer is entitled to conduct cover purchases and claim indemnity for this from the Seller.

## **9. Warranty and notification of defects**

9.1. The Seller provides a warranty of 24 months on the Delivery.

9.2. Furthermore, the Seller guarantees that the Delivery complies with all relevant official regulations in force at the time of the Order Confirmation, as well as any labelling schemes in accordance with applicable industry standards.

9.3. Complaints about defects in the Delivery must be made in writing by the Buyer within a reasonable time after the defect is or should have been discovered.

9.4. Complaints about defects in the Delivery must be made by the Buyer within two years of delivery as described in Section 4.3, cf. however, Section 9.5.

9.5. Building materials and other supplies for use in construction work must be delivered with five years of supplier's liability for defects in the Delivery. Liability period is calculated from the delivery of the work and ends within six years after delivery to the warehouse or for resale. For such Deliveries, the time limit in Section 9.4 is thus not applicable.

9.6. Complaints must be made in writing, including by email, to the contact person specified by the Seller.

## **10. Liability**

10.1. The Seller is liable for damages in accordance with the general rules of Danish law for any losses that the Buyer suffers as a result of liability incurred and the like that are committed by the Seller.

10.2. The Seller's liability is limited to three times the contract value.

## **11. Exemption from responsibility (force majeure)**

11.1. Neither party is liable to the other party if these are matters beyond the control of the party and which the party should not have taken into account and should not have overcome at the conclusion of the Agreement.

- 11.2. Force majeure can only be invoked if the party concerned has given written notice to the other party within five working days after the force majeure situation has occurred.
- 11.3. If a deadline is postponed due to force majeure, related payments are deferred accordingly.
- 11.4. If a force majeure situation has lasted for more than 30 days, the party not affected by the force majeure situation is entitled to terminate the Agreement in writing with a written notice of five working days.

## **12. Ethics and Corporate Social Responsibility (CSR)**

- 12.1. The principles of ILO Convention No. 94 on labour clauses in public contracts are applicable to the agreement.
- 12.2. The Seller undertakes to ensure that the employees that the Seller and its subcontractors, etc. employ with the purpose of fulfilling the agreement, receive wages, including special benefits, working hours and other working conditions, which are not less favourable than those, which by collective agreement, arbitration, national laws or administrative regulations, apply to work of the same kind in the relevant profession or industry in the area where the work is performed.
- 12.3. Similarly, this also applies to work performed by subcontractors or by individuals who have been assigned the contract for execution. In such cases, the Seller is liable for the fulfilment of the requirements and it is the Seller's responsibility to ensure that the provisions apply.
- 12.4. If the Seller fails to comply with the provisions, the Buyer is entitled, to the extent permitted by law, to decide that the person in question is precluded from acquiring future agreements of the above-mentioned nature with the Buyer until it is documented that the matter in question has been rectified.
- 12.5. In addition, the Buyer is entitled to request in writing the Seller to rectify the conditions within 15 calendar days. If the Seller cannot, before the expiry of the deadline, document that the conditions have been brought in accordance with this provision, the Buyer is entitled to a penalty for non-

compliance with the clause from the expiry of the deadline. The penalty is set at 1% of the contract price per commenced working day, however, minimum DKK 1,000 per working day until the violation is brought to an end. The amount may be set off against the payment to the Seller.

- 12.6. It is assumed that the Seller and its subcontractors respect fundamental human rights, including compliance with the UN Declaration of Human Rights and the European Convention on Human Rights, and adhere to the 10 principles of the UN Global Compact.

## **13. Governing law and venue**

- 13.1. Any disputes between the parties that may arise regarding the Delivery or otherwise arise from or relate to the fulfilment of the Agreement must be resolved in accordance with Danish law, though with the exception of Danish rules of private international law and the UN Convention on the International Sale of Goods (CISG).
- 13.2. Disputes between the parties are settled by the Court of First Instance in Aalborg and by the Danish Western High Court of Second Instance.
- 13.3. In the case of delivery of building materials and other supplies for use in construction work, any disputes between the parties must be subject to dispute resolution by the Danish Arbitration Board for Building and Construction, in accordance with the rules under Chapter J of the General Conditions for Building and Construction Works and Supplies (AB 18) and the regulations of the Danish Arbitration Board for Building and Construction, if the Buyer so requests.

## **14. Environment and Working Environment**

- 14.1. The Seller guarantees that all deliveries throughout the contract period at all times comply with the applicable environment and work environment rules, laws, regulations, EU directives, etc.
- 14.2. At the Buyer's request, the Seller must provide the documentation that may be required about a product for its environmental assessment.
- 14.3. The Seller is obliged to handle packing of products in accordance with the applicable work environment rules.