

GENERAL TERMS AND CONDITIONS OF SALES AND DELIVERY

HN Group A/S

1. APPLICATION

1.1 These General Terms and Conditions of Sales and Delivery (the "Terms") apply in their entirety to the offering, sale and delivery of tools and production equipment ("Tools") as well as products ("Products"), including specific products that have been made using Tools ("Workpieces"), from HN Group A/S ("HNG") to the customer ("Customer"), unless these are deviated from by express written agreement between HNG and the Customer, formulated either as a separate agreement or as specified in the submitted offer. The Terms are considered accepted once an offer is accepted or a purchase order is placed.

1.2 Thus, HNG is not bound by any terms and conditions deviating from the Terms that are put forward by the Customer, unless HNG and the Customer have agreed upon such terms in writing.

1.3 The Terms applicable at any time can be found on www.hngroup.dk.

2. PRICES

2.1 Tools

2.1.1 All prices are stated exclusive of VAT, transportation costs and/or other charges.

2.1.2 HNG reserves the right to adjust the prices agreed for undelivered Tools in the event of foreign exchange rate fluctuations, price increases from subcontractors, price increases for materials or energy, changes in labour costs, government interventions or similar circumstances.

2.1.3 It is HNG's responsibility to ensure that the delivered Tool can produce Workpieces with the agreed function, tolerance and appearance. The delivery cannot be expected to meet requirements that have not been placed in writing by the Customer and have not been approved by HNG.

2.1.4 If the Customer places requirements for alterations to Tools after the beginning of the work, this can affect both the project's finances and delivery time, and such requirements cannot be implemented in the project until they are accepted by HNG.

2.1.5 The Customer approves a master workpiece/prototype ("Master Workpiece") produced using the tool prior to commissioning. On approval, the Customer approves the tolerances and appearance, etc. of the Master Workpiece, and this Master Workpiece will henceforth be a reference for the future production.

2.2 Workpieces

2.2.1 All prices are stated exclusive of VAT, transportation costs and/or other charges. The price of Workpieces is stated as unit price per Workpiece and incorporates all direct and indirect production costs.

2.2.2 HNG reserves the right to adjust the prices agreed for undelivered Products in case of foreign exchange rate fluctuations, price increases from subcontractors, price increases for materials or

energy, changes in labour costs, government interventions or similar circumstances.

2.2.3 If the Customer and HNG enter into a framework agreement, cf. subsection 4.2 herein, the price per Workpiece will be fixed for an agreed period, which, however, may not exceed 12 months. The Terms also apply to any framework agreement, including to section 16 concerning Force Majeure.

3. OFFERS/ORDERS/Framework AGREEMENTS

3.1 Offers

3.1.1 All offers are submitted based on a description of the project provided by the Customer along with a STEP / 3D file and 2D drawings indicating tolerances, quantities, etc. If the Customer requests a price quote without being able to provide such documentation or similar relevant information, it can be provided as an estimate, possibly stating a price range, which can be used as an indication of the price level of a future offer. However, such an estimate is not binding for either the Customer or HNG.

3.1.2 All offers and agreements are made based on a number of prerequisites about production volume, packaging, tolerance requirements, visual requirements, documentation requirements, etc. If these prerequisites change, this will affect the price, and any previous offers and/or agreements will lapse.

3.1.3 Only written offers are binding for HNG. Unless otherwise stated in the specific offer, all offers are valid for a period of 1 month (30 days) from the offer date. If the Customer requires special specifications that are not stated in HNG's offer, these shall be expressly stated in writing.

3.1.4 An offer shall be accepted by the Customer in writing before an agreement can be signed.

3.2 Orders for delivery of Workpieces

3.2.1 After an offer is accepted and an agreement on routine deliveries of Pieces is signed, daily orders are placed in writing to HNG's order receipt department to the following email address: ordre-hn@hngroup.dk. A purchase agreement is first signed once HNG has confirmed the order to the Customer, whereupon the agreement cannot be terminated, amended or deferred by the Customer without HNG's consent.

3.2.2 Unless otherwise agreed, the order amount shall be divisible by the amount in the smallest packaging of the respective Workpiece, usually a box.

4. POSSIBLE TYPES OF AGREEMENT BETWEEN THE CUSTOMER AND HNG

4.1 Going rate

4.1.1 Unless otherwise agreed in writing, all agreements are based on a going rate that is stated by HNG to the Customer in connection with HNG's order confirmation.

4.1.2 As regards going rates, the Customer is not obligated to purchase an amount that exceeds the submitted and confirmed order, while HNG does not assume a certain price or delivery time.

4.2 Framework agreement

4.2.1 A framework agreement is an agreement for the delivery of a defined number of Workpieces at an agreed fixed price within a given period of time.

4.2.2 The Customer undertakes to purchase the agreed number of Workpieces for the duration of the framework agreement. The obligation applies to all finished goods, sub-components, packaging, raw materials, etc. that are made available as part of the framework agreement.

- 4.2.3 HNG undertakes to deliver the agreed amount within the period of the agreement and at the agreed delivery time, including vouchers for the availability of sub-components, raw materials and machine capacity.
- 4.2.4 With the exception of the cases that fall within the scope of section 16 herein concerning Force Majeure, the agreed price or prices for the Customer is/are fixed, regardless if the prices of raw materials, sub-components, power, etc. change.
- 4.2.5 The period of a framework agreement is agreed in writing and may not exceed 12 months.
- 4.3 Agreement on minimum stock
- 4.3.1 The Customer and HNG may agree on HNG always keeping a minimum stock of specific raw materials, sub-components and/or Products.
- 4.3.2 The Customer and HNG agree in writing on the size of the stock, which will most often be a specific amount. The amount of goods is usually adjusted annually, and it is the Customer's responsibility to orient HNG if the size of the minimum stock needs to be adjusted up or down during the period.
- 4.3.3 The Customer undertakes to purchase the minimum stock plus any work in progress in order to meet the requirements of subsection 4.3.1 during the period of the agreement. The obligation applies to all finished goods, sub-components and raw materials that are made available as part of the agreement.
- 4.3.4 HNG is entitled to invoice the Customer for the minimum stock, cf. subsection 4.3.3, if the agreement is terminated or the activity is discontinued. The activity relating to a Workpiece/item number is considered to be discontinued once there have been no movements in the stock for a period of 12 months.
- 4.4 Consignment stock
- 4.4.1 The Customer and HNG may agree on HNG making available to the Customer a consignment stock of specific raw materials, sub-components and/or Workpieces.
- 4.4.2 The Customer and HNG agree in writing on the size of the stock as well as on the terms and conditions for its continuous replenishment. Unless otherwise agreed, it is the Customer's responsibility to orient HNG if the size of the consignment stock needs to be adjusted up or down.
- 4.4.3 As a general rule, the Customer is only invoiced for the actual use of the consignment stock. Use is typically assessed on a monthly basis, where the Customer sends a stock status to HNG for the continuous invoicing, possibly followed by an annual, joint inventory statement.
- 4.4.4 However, HNG is entitled to invoice the Customer for the consignment stock kept at any time if the agreement is terminated. Moreover, HNG is entitled to invoice the Customer for the parts of the consignment stock where the activity is discontinued. The activity relating to a Workpiece/item number is considered to be discontinued once there have been no movements in the stock for a period of 12 months.
- 5. DELIVERY**
- 5.1 The time of delivery is agreed to be no later than the time of confirmation of the order.
- 5.2 Deliveries are made "EXW – Ex Works" in accordance with Incoterms 2020.
- 6. PACKAGING**
- 6.1 Products are delivered packed on pallets, in boxes or bags that are subsequently packed in boxes. The packaging is labelled with the item number, item designation, internal order number and quantity of the Products as well as date. Packaging is not refunded in connection with returns, the only exception thereto being replacement pallets.
- 7. PRODUCT INFORMATION AND QUALITY**
- 7.1 Drawing documentation and project prerequisites for the ordered Products must be prepared no later than the time of submission of an order by the Customer. HNG prepares instructions and Q cards for all Workpieces in accordance with HNG's internal quality management system. Benchmarks and frequencies are determined and evaluated by HNG alone.
- 8. PAYMENT**
- 8.1 The payment for Tools shall be divided in the following manner: ⅓ of the total sum after order confirmation, another ⅓ after First Casting and the last ⅓ after the Workpieces are shipped from HNG to the Customer for final approval. The payment terms are 8 days net.
- 8.2 Unless otherwise following from an order confirmation, agreement or invoice, the payment for the delivered Products shall be made no later than 30 days after the invoice date.
- 8.3 In case of a late payment, a market interest rate is calculated.
- 9. RETENTION OF TITLE**
- 9.1 The delivered Products remain HNG's property until full payment has been made for them. The Customer shall handle and store the Products solicitously and insure at them at its own expense until the title thereto is transferred to the Customer.
- 9.2 Tools shall similarly remain HNG's property until full payment has been made, whereupon the title is transferred to the Customer. Nevertheless, HNG is not — even before full payment is made — entitled to produce the Customer's Tools for anyone other than the Customer.
- 10. STORAGE AND INSURANCE OF TOOLS**
- 10.1 Tools are stored in a BD60 fireproof tool storage room, except when they are used, during maintenance or when repaired.
- 10.2 HNG insures the Tools against fire, theft and water damage.
- 10.3 However, as regards Tools that have not been activated for production for a period of at least 36 months, HNG is entitled, with 4 weeks' notice, to let the insurance coverage lapse or return the Tools to the Customer at the Customer's expense.
- 11. MAINTENANCE OF TOOLS**
- 11.1 Ordinary maintenance of Tools is conducted continuously after production and without demands for separate payment from the Customer. Ordinary maintenance shall be interpreted to mean cleaning and lubrication. It is only up to HNG to assess the need for maintenance.
- 11.2 Repairs resulting from wear and tear that goes beyond any damage warranty are carried out at the Customer's expense; however, only subject to a previous offer from HNG and its approval by the Customer.
- 12. DELIVERY OF TOOLS**
- 12.1 Tools can be delivered once full payment has been made and all accounts receivable for manufactured Products or provided raw materials have been paid.
- 13. DELAY**
- 13.1 If HNG is aware of a delay that is about to occur or considers a delay to be probable, HNG shall notify the Customer thereof without delay. HNG shall state the cause of the delay and, to the extent possible, when it expects a delivery to be possible.

- 13.2 Unless the delayed delivery is owing to gross negligence on the part of HNG, the delivery time is deferred to the extent deemed reasonable based on the circumstances. If delivery is then not made within the deferred deadline, the Customer is entitled to cancel the purchase and claim compensation for its documented direct losses. Otherwise, delayed delivery does not entitle the Customer to compensation for any losses incurred as a result of the delay.
- 13.3 If the Customer does not deliver the agreed drawing materials or approvals on time or has otherwise delayed the delivery of Tools or Products, HNG is entitled to defer the delivery time with a reasonable period of time based on the circumstances.
- 14. DEFECTS, COMPLAINTS AND LIMITATION OF LIABILITY**
- 14.1 HNG guarantees that the delivered Tools and Products are of the usual good quality in terms of materials, tolerances and fabrication.
- 14.2 In connection with the delivery of Products, the Customer is obliged to immediately investigate whether there are any defects in work done/the Products.
- 14.3 Complaints about defects shall be filed in writing no later than 8 days after the Products are delivered to the Buyer and shall contain detailed information about the respective defect. If this complaint deadline is exceeded, the Customer's right to claim defects of any kind lapses.
- 14.4 A defect exists if Tools or Products are materially different from the agreed in the offer or if Tools or Products are not properly fabricated in terms of craftsmanship. A defect does not exist (a) in the case of defects or problems that can be attributed to improper handling, transportation, storage, assembly or other negligence demonstrated by parties other than HNG, (b) if the Customer, in violation of product documentation and/or received recommendations, uses Tools/Products together with other products or accessories in a way that affects the function or properties of the Tools/Products, or (c) if the Customer alters or interferes with the Tools/Products without HNG's consent.
- 14.5 In the event that defects in delivered Tools or Products can be detected within 12 months after the production date, HNG undertakes, at its own discretion, to either replace the defective Tools or Products with equivalent new Tools or Products at no extra charge for the Customer or to grant a proportional discount in the agreed price of the defective Tools or Products in exchange for their return to HNG by the Customer.
- 14.6 Neither of the parties shall be liable to the other party for indirect losses and consequential damages such as loss of business, operating loss, loss of profit and similar financial losses.
- 14.7 HNG's liability for damages is limited to the amount invoiced for the respective Tools or Products.
- 15. PRODUCT LIABILITY**
- 15.1 If one of the Products causes injuries to a person as a result of a defect therein, HNG is only liable to the extent the liability can be attributed to HNG according to general legal principles. Under no circumstances does HNG's liability extend to operating losses, loss of time, loss of profit or other indirect losses caused to the Customer or to third parties.
- 15.2 HNG is not liable for any damage to property that belongs to the Customer or third parties and is caused by defects in the delivered Product, provided that the respective property is intended for commercial use.
- 15.3 Unless the damage can be attributed to HNG, HNG further disclaims any liability for damages caused by Products that incorporate materials delivered or specified by the Customer or for Products produced by the Customer that incorporate materials delivered by HNG.
- 15.4 To the extent HNG is charged with product liability by third parties, the Customer is obligated to indemnify HNG to the same extent HNG has limited its liability to the Customer.
- 16. FORCE MAJEURE**
- 16.1 HNG is entitled to cancel orders or defer the agreed delivery of Products, and cannot otherwise be held liable for defects or delay that are owing, in whole or in part, to circumstances that are beyond HNG's reasonable control, such as riots, civil unrest, war, terrorism, fire, government regulations, strike, lockout, slowdown, illness, including epidemics or pandemics, lack of transportation, goods shortages, machine breakdown, delay in or defects in supplier deliveries, production or testing accidents or failure of the power supply. In such cases, all of the Customer's powers are suspended or lapse. The Customer may not claim damages or otherwise make any other claims against HNG in case of either cancellation or delayed performance.
- 17. CONFIDENTIALITY OBLIGATION**
- 17.1 Both parties are obliged to observe confidentiality with regard to third parties for any information about the other party's matters that are part of this party's trade secrets or is otherwise not intended to be disclosed to third parties, including information about technical, commercial or internal matters.
- 18. PROCESSING OF PERSONALLY IDENTIFIABLE INFORMATION**
- 18.1 The company processes personal data in due observance of the General Data Protection Regulation and the Danish Data Protection Act.
- 19. GOVERNING LAW AND DISPUTES**
- 19.1 Any and all disputes between HNG and the Customer, including disputes concerning or arising out of the existence or validity of their contractual relationship, shall be settled according to Danish law by arbitration at the Danish Institute of Arbitration, in accordance with the arbitration rules adopted by the Danish Institute of Arbitration.

HN Group A/S
 Kløvermarken 310
 DK-7190 Billund
 Tel.: (+45) 7533 8700
 Fax: (+45) 7535 3580

www.hngroup.dk

CVR; DK 16 44 11 04
 IBAN: DK4830000012643268