

# KP Komponenter / KP Components (KP) Standard Terms for Purchasing

The following terms apply for all deliveries to **KP** unless otherwise agreed in writing with **KP**.

## 1.0 Conclusion of agreements.

- 1.1 The Seller shall return a signed order confirmation for **KP** within 3 working days after receipt of purchase order.
- 1.2 Questions related to the purchase order must be addressed to **KP** within the above period.
- 1.3 Orders are only binding if they are in writing or confirmed by **KP**.
- 1.4 By confirming or effecting orders Seller accepts the Standard Conditions for Purchasing from **KP**.
- 1.5 Special conditions, others than that specified by **KP**, which are listed on any of the Seller's documents, will not be valid without written consent from **KP**.

## 2.0 Delivery.

- 2.1 All goods and documents shall be sent as one shipment, unless otherwise specified. Delivery must take place corresponding to the current packing and packaging instructions from **KP**.
- 2.2 Item description must be unambiguous and in accordance with the purchase order.
- 2.3 Packing list / bill of lading must follow all deliveries (one packing list per packet) and state:
  - **KP's** complete purchase order number.
  - The contents of each package if the shipment consists of several packages.
  - Special references if so desired by **KP**.
- 2.4 On time delivery will be considered the time when the complete order is properly received and approved by **KP**, including all documentation and certificates.
- 2.5 **KP** are free to return goods that are not delivered in accordance with the **KP** purchase order, or **KP** can make improvements in agreement with the Seller or cancel the order and demand compensation. Should **KP** be forced to make compensating purchase elsewhere, the Seller is obliged to refund **KP** any related cost and expenses in relation to that purchase. **KP** reserves a 4-week period to complain about defects, counted from the day a defect is discovered.
- 2.6 Unless otherwise specified in the **KP** purchase order, delivery date is to be interpreted as the date of arrival at the delivery address specified in the **KP** purchase order. **KP** accepts delivery from 3 days before the specified delivery date. Delivery later than specified delivery date cannot be accepted, unless it is agreed in advance.
- 2.7 The moment the Seller discovers or has reason to believe that deliveries will be delayed; the Seller must notify **KP** with an explanation for the delay and inform a new delivery date for **KP** to assess. **KP** cannot accept any changes in delivery times, during the week leading up to the agreed delivery date.
- 2.8 If a delay is not due to force majeure in a buying legal sense or neglect from **KP** or partners to **KP**, **KP** is entitled to require the Seller to pay an unconditional fine of 1% of the total purchase order value, per week, but not exceeding 10% of the total sum, or **KP** may require the order cancelled at no cost to **KP**.
- 2.9 If Seller's delay has caused **KP** any loss, not covered by the fine, cf. section. 2.8, **KP** is entitled to claim the loss covered under Danish law of Torts.
- 2.10 Unless otherwise specified in the **KP** purchase order, or otherwise accepted in writing by the **KP** purchasing department, all deliveries to the specific delivery address shall be delivered without any freight costs or other fees.

## 3.0 Quality control, certificates, etc.

- 3.1 The Seller is responsible for the delivery to comply with the **KP** or any safety and quality standards defined by public authorities.
- 3.2 Certificates, technical documentation, installation guides, etc. is an integral part of the delivery and must be delivered simultaneously with goods, before the delivery will be considered complete and delivered "on time".

## 4.0 Payment.

- 4.1 Seller shall forward invoices to:

<b>KP Komponenter A/S</b> Birkevej 2 DK-6971 Spjald Att.: Finance Department	or	<b>KP Components Inc.</b> 117 Sheriff Mill Road Easley, SC 29642, USA Att.: Finance Department
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- 4.2 The Seller shall generate a separate invoice for each purchase order, the invoice must refer to the **KP** purchase order and order line number.
- 4.3 The Seller cannot charge any handling fee, packaging costs or other costs, unless otherwise agreed in writing between the parties.
- 4.4 Payment is made according to the agreed payment terms, which will normally be Current month + 60 days, unless otherwise accepted in writing by **KP** and assuming that the present purchase conditions are fulfilled by the Seller. The credit period is counted from the day **KP** receive correct invoice, at or after receipt and accept of the complete delivery, corresponding to the purchase order and including the specified documentation, certificates etc.
- 4.5 If delivery takes place earlier than desired, cf. section 2.6, the credit period will be calculated from the requested delivery date.

## 5.0 Warranty.

- 5.1 To cover errors and omissions in the delivery, Seller provides a warranty of 24 months from the time the product is used. For materials including but not limited to, stainless steel, cast iron, steel, the warranty is 72 months. If the goods are resold, including being a part of the delivery to the customer of **KP**, the date of use is counted from the **KP** customer's deployment of the product. Seller's warranty runs a maximum of 36 months from the defective delivery to **KP**. If an item is replaced by a new product under the above warranty, the Seller provides a similar warranty for the new replacing product.
- 5.2 During the warranty period, **KP** is entitled to demand replacement delivery free of charge for **KP**.
- 5.3 All other remedies for **KP** to make rescission and claim compensation, is determined in accordance with Danish law.
- 5.4 Seller warrants that the delivered goods are not defective in any way, or violates any third party intellectual property rights.

## 6.0 Material supplied by **KP**.

- 6.1 All material, such as, but not limited to, drawings, sketches, technical information, tools and models that **KP** has supplied to the Seller,
  - Shall be kept confidential
  - May only be used for deliveries to **KP**
  - Shall be adequately insured by the Seller and
  - Shall be returned upon request from **KP**.

## 7.0 Inspection.

- 7.1 **KP** and it's customer reserves the right, to visit the manufacturing site to verify that ordered goods are in accordance with specified requirements. This verification does not relieve the Seller from responsibility for providing satisfactory goods and it also does not preclude subsequent rejection of a delivery.

## 8.0 Product Liability.

- 8.1 To the extent that **KP** may be held liable for damage caused by Seller's delivery, the Seller is obligated to indemnify **KP** for any loss which is wholly or partly attributable to such defects. The Seller is also obliged to let himself be summoned to the same court or tribunal, which will deal with product liability claims against **KP**.
- 8.2 The Seller is obliged to take out and maintain adequate product liability insurance with a reputable insurance company. Such insurance shall only be terminated with at least 1 month's written notice to **KP**. Upon request, the Seller shall certify that the insurance is in force under the conditions listed.

## 9.0 Child labor.

- 9.1 Seller and Seller's subcontractors are required not to employ children under the age of 15 in production of goods or in any other manor. See the UN Convention on the Rights of the child.

## 10.0 Governing law and jurisdiction.

- 10.1 Any dispute between the parties arising in connection with the order, is to be determined in accordance with Danish law and on the choice of **KP**, either by arbitration in accordance with "Rules of the Danish Institute of Arbitration (Danish Arbitration)" or by the court in Herning.

## 11.0 General conditions.

- 11.1 The above terms are valid for purchase orders regardless of the terms and conditions that may apply for deliveries from the supplier, unless the supplier's terms and conditions are approved in writing by the **KP** purchasing department, as applicable to the order in question.
- 11.2 Seller's order confirmation and subsequent requirements specified, has no liberating effect for the purchasing terms of **KP**.