

# GENERAL TERMS AND CONDITIONS FOR SUPPLIERS

## Brødrene A & O Johansen A/S (AO) December 2020

### 1 Validity

- 1.1 These General Terms and Conditions for Suppliers shall apply between Brødrene A & O Johansen A/S (AO) and the supplier, unless otherwise agreed to in writing in the Business Agreement to which these Terms and Conditions are attached as Schedule 6.

### 2 Prices

- 2.1 The price list applicable at any given time shall be the supplier's current price list accepted by AO.
- 2.2 Unless otherwise confirmed and agreed to in writing by AO, handling fees, invoice fees, and other fees (regardless of their designation) shall not be accepted by AO.
- 2.3 If project discounts are granted on stocked items, the project discounts shall not appear from the supplier's invoice, but from the supplier's credit note.

### 3 Notice of Price Changes

- 3.1 An announcement of upcoming price changes can only be made in accordance with the provisions of the Business Agreement.
- 3.2 In connection with a price increase it shall be the order date that determines the price. If an order is placed before a price increase comes into force, AO shall be invoiced at the old price, even though delivery takes place after the price increase comes into force.
- 3.3 A price change notice shall be sent by email to the product manager with a cc to the market manager and [ki-gruppen@ao.dk](mailto:ki-gruppen@ao.dk).
- 3.4 Price updates shall be registered in an Excel spreadsheet forwarded to the supplier by AO. The completed Excel spreadsheet is to be returned to AO not later than 30 days before the price change becomes effective. The file shall be sent by email to the product manager with a cc to [ki-gruppen@ao.dk](mailto:ki-gruppen@ao.dk).

### 4 Time of Delivery

- 4.1 The time of delivery shall be specified in the Business Agreement. The time of delivery shall be defined as the time it takes from when the supplier has received a purchase order to when it is delivered to AO.
- 4.2 If no order confirmations regarding stocked items are forwarded through EDI, the supplier shall send an order confirmation by email to [confirm@ao.dk](mailto:confirm@ao.dk) with a clear indication of when the goods shall be delivered to AO's central warehouses. The supplier shall send the order confirmation not later than one workday after order receipt.
- 4.3 Confirmed dates of delivery shall be met.
- 4.4 If the supplier's delivery is delayed, AO's remedy for breach of contract shall be in accordance with the general rules of Danish law.

### 5 Payment

- 5.1 The terms of payment shall be specified in the Business Agreement.
- 5.2 A payment shall be considered paid on time if a money transfer is made on the last day of payment. If the date of payment is a Saturday or a Sunday/holiday, the transfer is to be made on the next work day at the latest. Please note that payments are made on Mondays and Thursdays.
- 5.3 The terms of payment in connection with bonus credit notes are as follows: Net cash 0 days.

### 6 Right of Return

- 6.1 AO shall have full right of return on all products, i.e. without any deductions.
- 6.2 AO's product manager shall be notified six months in advance if a product is to be discontinued. An email to the same effect shall be sent to [ki-gruppen@ao.dk](mailto:ki-gruppen@ao.dk), so that preparations for the return of goods may be made.

- 6.3 The return agreement shall not be time-limited, and the supplier shall be responsible for keeping in touch with AO's purchasing department on a regular basis, thus ensuring that the supplier's product range stocked at AO is always up-to-date.
- 6.4 All returned goods shall be dealt with and credited within a period of max 14 days.
- 6.5 The supplier shall have the right to charge an amount that may cover his expenses in connection with the repacking and repair of the products in case the packaging or the products are damaged. Repacking costs may, however, only amount to a maximum of 10% of the product value.

### 7 Insurances

- 7.1 The supplier shall confirm that a business and product liability insurance has been taken out, covering a minimum of EUR 1,333,333 (DKK 10,000,000). The insurance shall include ingredients and component damage coverage of at least EUR 1,333,333 (DKK 10,000,000) per damage and totally per year. In addition, the insurance shall be extended to cover ingredients and component losses of at least EUR 666,666 (DKK 5,000,000) per damage and totally per year.
- 7.2 The insurance shall be taken out with a recognised insurance company.
- 7.3 The insurance shall be effective as long as this Agreement is in force and for a period of five (5) years after the termination of this Agreement.
- 7.4 AO may ask the supplier to forward a copy of the insurance certificate to AO once a year – as long as this Agreement is in force – as confirmation that the insurance is still effective. If the supplier has purchased product recall insurance, it shall appear from the insurance certificate.
- 7.5 In case the supplier ceases to exist, a run-off cover applying to the products of the business shall be purchased. The insurance policy shall cover responsibility for damages caused by products sold before the business closed, and it shall be in force for a minimum period of five (5) years from the closure of the business, or more if a longer liability period is offered.
- 7.6 The supplier shall send a copy of the certificate of insurance to AO confirming that run-off coverage has been purchased for the agreed run-off period.

### 8 Product Liability

- 8.1 The supplier shall be liable for any product liability claims from third parties/end users.
- 8.2 AO is only an intermediary and shall therefore not be responsible for the properties of the products or be liable for any damage, harm or loss caused by the products to any third parties/end users. Consequently, the supplier shall indemnify AO against claims made by any third parties/end users.
- 8.3 None of the parties shall be liable for indirect losses, including loss of profits, operating loss, loss of time, loss of goodwill, or other consequential losses.

### 9 Building Supply Clause

- 9.1 Where materials are supplied to building projects based on the Danish General Conditions for Building and Construction Work and Supplies, clause 12, subclause (5) and clause 8, subclauses (4) and (5) of the AB18/ABT18 shall apply. However, where materials are supplied to building projects based on AB92/ABT93, clauses 45-47 of the AB92/ABT93 shall apply.

# GENERAL TERMS AND CONDITIONS FOR SUPPLIERS

Brødrene A & O Johansen A/S (AO) December 2020

- 9.2 Where materials are supplied to building projects that are not based on the Danish General Conditions for Building and Construction Works and Supplies, it shall be agreed in writing which building supply clause shall be applicable and stated in paragraph 14.1 'Significant Matters' of the Business Agreement.

## 10 Approval of Products

- 10.1 The supplier shall be fully responsible that all supplied goods can be sold legally in Denmark, Sweden and Norway in accordance with applicable national law and EU directives, if any.
- 10.2 All products shall be marked in accordance with existing laws, marketing rules, and the market control of building components (e.g. GDV/approved for drinking water/CE-marking). When changes to the regulations on product marking and labelling come into force, the supplier shall see to it that products delivered are in accordance with these regulations. In addition, the supplier shall see to it that already existing products stocked by AO are relabelled in case the law requires that these goods also are to be marked in accordance with these new regulations.

## 11 Claims

- 11.1 The supplier shall be committed to always having his user guides, data sheets, and mounting instructions updated, and these shall at any time be available for AO and AO's customers either on a website or with the product, printed on the packaging of the product or enclosed in the packaging of the product. AO shall not be liable for wrong or insufficient information regarding the products. If a customer makes a claim regarding the above, the claim shall be forwarded to the supplier.
- 11.2 If the supplier receives a complaint from an end user regarding an item invoiced by AO, and the complaint includes a claim for compensation, then the supplier shall contact AO immediately, so that the complaint can be registered in AO's complaints registration system. In addition, the supplier shall forward all information received from the end user to AO. Then AO and the supplier shall agree upon how the complaint handling is to continue. If it is agreed that the item in question is to be tested in the supplier's lab, the test result shall always be forwarded to AO, and then it shall be agreed whether AO or the supplier and AO together present the test result to the customer. If it is agreed that the complaint is to be handled by a third party, the conditions for this shall be clearly defined.
- All other communication regarding the handling of complaints shall be approved by AO prior to mailing.
- If the supplier settles a complaint case with an end user, without AO's knowledge, AO cannot be held liable as it is to be considered an act on the part of AO without AO's knowledge. All claims from the end user will then be forwarded to the supplier without liability on the part of AO.
- If, without AO's knowledge, a defective item is tested in the supplier's own lab, AO reserves the right to have the defective item delivered, whereupon the conclusion of the test shall be tested by a third-party testing institute at the expense of the supplier.

## 12 Substances Requiring Labelling

- 12.1 When substances requiring labelling, including toxic, flammable or carcinogenic products, are delivered, the supplier shall be required to send AO safety data sheets (the 16-point list) in PDF format in Danish and Swedish named with the supplier's item numbers. The safety data sheets shall be sent to [ki-gruppen@ao.dk](mailto:ki-gruppen@ao.dk).
- 12.2 The supplier shall provide updated safety data sheets when there are changes to them. Once a year, AO may send a list of products with safety data sheets to the supplier for review.
- 12.3 If the supplier does not forward the mandatory safety data sheets, AO may be forced to have them drawn up on behalf of and at the expense of the supplier.

- 12.4 The supplier shall be required to meet the EU Packaging Directive.

## 13 Supplier Code of Conduct

- 13.1 AO's suppliers shall adhere to AO's Supplier Code of Conduct which is available at AO.dk under Investor Relations/Company Profile/Supplier Code of Conduct.

## 14 Master Data

- 14.1 When products are to be entered into AO's ERP system the supplier shall be obliged to fill in an item creation form in Excel format. An exception to this is only possible, if AO can retrieve data from a central database accepted by AO.
- 14.2 The supplier shall provide product images of all products to be entered into AO's systems. Each product image must be clipped onto a white background and have a minimum size of 512 x 512 pixels. A product image must be named either `thesupplier'sitemnumber.jpg` or `danish-vvs/el/værktojsnumber.jpg`.
- 14.3 The images shall be sent to [pictures@ao.dk](mailto:pictures@ao.dk) together with product descriptions.
- 14.4 If the supplier does not submit images in the above-mentioned quality within a reasonable period of time, AO may take steps to have the products photographed. The costs in connection with this work shall be invoiced to the supplier separately, i.e. EUR 25.- (DKK 200.-) per image. AO shall have the right to these images, but the supplier may acquire right of use by means of a written approval from AO.
- 14.5 To better the exposure of the product the supplier shall provide at least one product image for each product variant, but preferable more.
- 14.6 The suppliers shall be obliged to keep AO informed about any changes to the master data of his items, e.g. EAN numbers, pre-packaged unit sizes, net weight, gross weight, approval numbers, volume in cubic meters, customs tariff number, country of origin et cetera.
- 14.7 Moreover, it shall be the supplier's duty to make sure that the packaging of the products (down to the smallest pre-packaged units) or the products themselves are marked with updated EAN numbers and bar codes, if possible.
- 14.8 The supplier shall be committed to having data sheets on all available products at his website for use in connection with quality control. The material shall be available in PDF format, without login, and at an http-URL. The URL (the address) for the data sheet shall either have a firm syntax or a complete URL per product.
- 14.9 AO reserves the right to forward the supplier's product images to customers and subsidiaries in connection with the marketing of the supplier's product.

## 15 Invoice Requirements

- 15.1 When it is not possible to transfer invoices through EDI, then invoices and credit notes shall be emailed to [aogoods@ao.dk](mailto:aogoods@ao.dk). This email address is a 'no-reply' address and is only for invoices and credit notes.
- 15.2 Several purchase orders may not appear from the same invoice. Only one invoice per purchase order will be allowed.
- 15.3 The format shall be either .pdf or tif. Please contact [kreditor@ao.dk](mailto:kreditor@ao.dk), if another format is wanted.
- 15.4 If possible, please list the items on the invoice in the same order as they appear on the purchase order.
- 15.5 When invoices are sent by email, they are not to be sent as ordinary mail as well.
- 15.6 To obtain the best possible scanner reading, invoices and credit notes shall be emailed in black and white. Please contact [kreditor@ao.dk](mailto:kreditor@ao.dk), if that is not possible.
- 15.7 One invoice shall always correspond to one file no matter how many pages and/or appendices it contains.
- 15.8 Invoices with an unknown or incorrect purchase order reference will be returned. If there is no purchase order number, the reference must be XXX-NNN; three digits for the department followed by the purchaser's initials. Please see invoice requirements in Schedule 4.

# GENERAL TERMS AND CONDITIONS FOR SUPPLIERS

Brødrene A & O Johansen A/S (AO) December 2020

- 15.9 Please note that if the above-mentioned requirements for invoice references are not observed, the invoice will automatically be rejected and cannot be delivered to AO. The time used for recording, approving and paying the invoice will thus be prolonged. Rejected invoices will be sent to the email address which the supplier has stated through [kreditor@ao.dk](mailto:kreditor@ao.dk). AO wants to receive a new invoice, not a credit note.
- 15.10 Invoices shall be forwarded in immediate connection with the delivery of goods. Invoices forwarded later than three months after the delivery of goods shall not be accepted, unless AO has received statements of accounts or payment reminders on [kredit@ao.dk](mailto:kredit@ao.dk), where invoices are registered.

## Logistics Requirements

### 16 Transport Documents

- 16.1 A consignment note shall accompany the consignment and clearly indicate the names and addresses of the consignor and the consignee as well as the number of pallets and parcels and weight.
- 16.2 The consignment note shall also contain information on dangerous goods, if any.
- 16.3 The packing list accompanying the consignment shall be placed clearly visible for the staff at AO.
- 16.4 AO's purchase order number (seven digits and initials of the AO employee, e.g. 1234567ABC), the delivery address, item numbers and delivered quantities shall be printed clearly on the packing list.
- 16.5 If an AO employee cannot state a purchase order number, an internal AO department number and initials shall be stated, e.g. 123BCD.
- 16.6 Urgent orders delivered together with other orders shall always be packed individually and marked in such a way that they can be identified as urgent orders.

### 17 Delivery

- 17.1 For information on goods reception opening hours, please visit <https://ao.dk/varemodtagelse>.
- 17.2 Unloading must be completed within the above-mentioned opening hours. Any later unloading may only take place after prior agreement with AO's goods reception, which can be contacted at [varemodtagelsen@ao.dk](mailto:varemodtagelsen@ao.dk).

### 18 Packing, Wrapping and Transport Packaging

- 18.1 If possible, two or more pallets may be stocked on top of each other during transport, provided that the goods do not sustain any damage and that unloading may be done safely. Please see photo examples in Schedule 5.
- 18.2 Due to the physical strain in connection with manual handling, the individual parcels may not weigh more than 15kg, unless otherwise agreed with AO's logistics department through the email address [logistik-drift@ao.dk](mailto:logistik-drift@ao.dk). Heavy goods (e.g. boiler units) ought to be delivered on separate pallets, so that they may be handled correctly with regard to safety on their way to the end user and by the end user.
- 18.3 The goods shall be packed in a maximum height of 180 cm (incl. pallet) and shall be within the outer pallet dimensions of 800 x 1200mm unless the condition of the goods makes it impossible. This also applies to the plastic film/wrap round the pallet. The plastic film/wrap must be fitted tightly around the goods, and it must not cover the holes of the pallet.
- 18.4 Pipe bundles may have a maximum diameter of 50cm.
- 18.5 Goods consisting of several parts must, if possible, be packed together in bags/boxes or the like.

- 18.6 Delivery of pallet goods shall be on approved, new, and heat-treated half or whole EUR pallets, alternatively on used heat-treated EUR pallets of quality A approved for export in accordance with the international standard ISPM 15. Pallets that are not in compliance with the described current requirements will therefore be rejected on receipt, or there will be charged a fee per pallet for necessary repalleting.
- 18.7 Goods delivered on EUR pallets may not protrude beyond the pallet edges.
- 18.8 The packaging in which the product is delivered shall be sufficiently solid and of a size that takes all handling in the logistics chain into consideration.
- 18.9 AO is not interested in being invoiced for transport packaging like pallets, frames, cages and the like. AO prefers swap on delivery. If this is not possible, EUR pallets and loose frames may be invoiced at a maximum price of EUR 6.- (DKK 45.-). AO has the right, but no obligation, to return transport packaging to the supplier for credit at full price. The transport packaging will be returned to the supplier at the supplier's expense.

### 19 Registration and Processing of Personal Data

- 19.1 AO processes personal data in accordance with AO's applicable privacy policy, which is available at <https://ao.dk/privacy>. Here the supplier can read more about inter alia the purposes of the processing, what data AO processes and the applicable legal authority.
- 19.2 The privacy policy shall be considered part of the contractual basis between AO and the supplier. If AO processes personal data beyond what is necessary to provide services relating to sales and delivery, AO will ask for the supplier's consent to do so, cf. the privacy policy.
- 19.3 AO uses video surveillance in all stores, in storage areas and in areas where items are received and shipped. The recordings are solely used as documentation if there is suspicion of theft, vandalism, accidents, or misdeliveries etc, and are stored for 30 days, after which they are deleted.

### 20 Governing Law

- 20.1 Any disagreements between the parties shall be decided in accordance with Danish law.