

General Terms and Conditions for Supply of Products and Services

1. General

In case of no separate General Supply Agreement (“GSA”) between the Supplier and an entity of the Arjo group (“Arjo”) (together the “Parties”), these General Terms and Conditions for Supply of Products and Services (“General Terms”) shall apply to any supply of Products and Services (together the “Deliverables”) to Arjo. Otherwise, the GSA prevails the General Terms.

A Purchase Order (“PO”), including these General Terms, the Quality Agreement (if entered into by the Parties), and the Service-Level Agreement (“SLA”) (if entered into by the Parties) together with the Arjo Business Partner Code of Conduct, the Statement of Work and any other agreement entered into by the Parties and relating to the Deliverables, is hereinafter referred to as the “Agreement”.

In case of any inconsistency between a provision in these General Terms and a provision in any other contractual document forming part of the Agreement, the more stringent provision will prevail.

2. Purchase Order

A PO shall be executed in written or electronic form and be confirmed or denied by the Supplier within 48 hours. If a PO has not been confirmed or denied within this period, the PO shall be deemed confirmed by the Supplier.

Arjo shall not be bound by a PO, if the Supplier’s order confirmation contains changes from the PO issued by Arjo, unless expressly accepted by Arjo in writing.

Arjo may change or cancel a PO completely or in part. In this event, Arjo shall reimburse the Supplier for reasonable proven actual and direct costs and expenses incurred by the Supplier, which are directly related to the change or cancellation of the PO. The Supplier shall provide sufficient documentation for which the Supplier claims reimbursement.

A forecast, provided by Arjo, shall in no event be considered binding or be interpreted as an undertaking to purchase such amounts of the Deliverables.

3. Price and Payment Terms

Unless otherwise agreed by the Parties in writing, the purchase price: (i) is a fixed price and no unilateral price changes are permitted (ii) is exclusive of VAT but inclusive of all other taxes and any duties applicable; and (iii) in case of Products, is inclusive of all storage, handling, packaging, marking and all other fees and levies due to invoicing, and in case of Services, is inclusive of all expenses and charges of the Supplier.

Payment shall be made within sixty (60) days from the latter of complete delivery/performance of the Deliverables and the receipt of an undisputed and properly raised invoice.

Arjo shall have the right to set off any amount for which the Supplier is liable under the Agreement or any other agreement against any amount due to the Supplier.

For Services provided on a time and material or daily rate basis the following shall apply: The purchase price for the Services shall be determined in accordance with the Supplier pricelist approved in advance by Arjo from time to time. The Supplier shall upon request provide

timesheets and breakdowns of time spent on the basis of an 8 hour day. Any changes to the pricelist require Arjo’s prior written consent. The invoices shall contain the following particulars: Time spent (hours/days) and hourly or daily rate in respect of each of Supplier’s personnel involved in the performance of the Services. If an invoice is not issued in accordance with this Section 3, Arjo is entitled to withhold payment of the invoice until Arjo has received a correct invoice. In such case, the Supplier is not entitled to late payment interest. Arjo should not be obligated to pay any invoicing charges.

4. Shipping and Delivery Terms

The Supplier’s observance of the agreed delivery date is an essential duty under the Agreement.

Products: Products shall be delivered according to the specification revision number mentioned on the PO or according to latest documentation provided by Arjo; in case of any doubts, the Supplier is obliged to request latest version of documentation.

The agreed terms of delivery of the Products shall be construed in accordance with INCOTERMS 2020 Terms of delivery shall be understood as mentioned on the PO; if terms of delivery are not mentioned, the delivery terms shall be “FCA” the Supplier’s factory. The risk of the Products shall pass to Arjo in accordance with the agreed INCOTERMS and title shall thereupon be transferred to Arjo.

Services: The Supplier shall perform the Services timely and according to agreed PO. The Supplier is not entitled to start performing any Service unless the Supplier has received a PO for such Service from Arjo.

5. Delay

A delivery of Products and/or performance of Services shall be considered to be delayed if not delivered/performed in accordance with the delivery terms and agreed delivery date (a “Delay”). The Supplier shall notify Arjo in writing promptly if it appears likely that the delivery/performance of the Deliverables will be delayed and shall in such case state the reason for the Delay and when delivery/performance is expected to take place.

In case of a Delay, Arjo shall be entitled to liquidated damages amounting to one (1) per cent of the purchase price of the Deliverables for each commenced week of Delay up to a maximum of ten (10) per cent of the purchase price. The Parties agree that the sum fixed is a fair and reasonable estimate of Arjo’s actual damages and shall not be viewed as a penalty. The said right to liquidated damages shall be without prejudice to any other remedies available under the Agreement or under the governing law.

If the performance of Services is delayed, Arjo may as an alternative to claim liquidated damages as per above fix a final period within which the Supplier shall have carried out the Services and if the Supplier has not carried out the Services within this time Arjo may carry out the Services itself or employ others to do so. In such case, the Supplier shall reimburse Arjo for any additional costs incurred by Arjo for such Services and

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repay to Arjo an amount corresponding to the Services in question not performed by the Supplier.

6. Changes

Any changes (i) in relation to Products, to the agreed specification of the Products and its instruction, production methods, components, or material of the Products, and (ii) in relation to Services, to the Statement of Work, shall be subject to written approval by Arjo before its implementation.

7. Warranty

The Supplier guarantees that the Deliverables will perform and conform to all specified or implied characteristics of the Deliverables as well as the agreed specifications (including but not limited to the Quality Agreement, SLA and Statement of Work).

Products: The Supplier represents and warrants that the Products will be sufficient for the purposes intended by Arjo and will be free from defects, deficiencies and non-conformities in production, design, materials and workmanship.

Services: The Supplier represents and warrants that i) the Services will be performed with reasonable skill and care consistent with professional standards applicable to the Supplier's business; ii) the results of the Services will be free from defects and in accordance with the requirements of the Agreement; and iii) the Services will be performed by appropriately qualified and trained personnel and with the quality which is reasonable to expect from the Supplier.

The warranties of the Supplier as stated above shall be in force until twenty four (24) months from the date of delivery of the Products or performance of the Services.

Further, the Supplier is responsible for (i) the Deliverables' compliance with any requirements set forth in applicable law, regulations and trade standards applicable at the time of delivery; and (ii) for ensuring that all necessary quality controls are made and that all consents, clearances, permissions and licenses necessary to carry out all of its obligations under the Agreement are obtained before delivery or performance of the Deliverables.

8. Defects

In case of any Defective Deliverables, Arjo shall within ten (10) working days after Arjo discovered such Defective Deliverables, notify the Supplier in writing of such Defective Deliverables, including a description of the defect.

“**Defective Deliverables**” are Deliverables being with any of its parameters out of specification and/or Statement of Work approved by Arjo.

Without prejudice to any other remedy available to Arjo under the Agreement or under governing law, Arjo may, at its own choice and discretion and at the risk and expense of the Supplier, demand prompt remedy of the Defective Deliverable.

Products: Arjo may, in respect of Defective Products, either demand immediate delivery, repair (including the right to itself or through a third party undertake necessary repairs), reperformance, delivery of

substitute or complementary Products or reduction of the purchase price. If Arjo demands rectification or delivery of substitute or complementary Products, the Supplier shall deliver flawless Products within one (1) week from the expression of such demand. In case of repair, Products with serial numbers should be repaired with full traceability in accordance with the Quality Agreement.

Services: Arjo may, in respect of Defective Services, demand either reperformance (including the right to itself or through a third party undertake reperformance) or reduction of the purchase price.

In case of reduction of the purchase price, claimed Deliverables shall be credited to Arjo without delay and in case of Products no later than 14 days after arriving back to the Supplier.

When a Defective Deliverable has been remedied, the Supplier shall be liable for defects in such Deliverable under the same terms and conditions as those applicable to the original Deliverable as set out in Section 7 above.

9. Sub-contractors

The Supplier may not appoint or change sub-contractors for the performance of its obligations under the Agreement without the prior written consent of Arjo. The Supplier shall ensure that its sub-contractors act in accordance with this Agreement in all respects and shall remain fully liable for each sub-contractor's obligations as for its own.

10. Intellectual Property Rights

All rights in patent, utility model, design, copyright, trademark or other intangible right (“**Intellectual Property Rights**”) provided by Arjo or any third party appointed by Arjo and any intellectual or intangible rights therein shall remain the property of Arjo and shall promptly be returned by the Supplier on demand. The Supplier shall not make, nor permit any person to make any use of the name, symbol, trademark, trade name or logo of Arjo without Arjo's prior written consent.

With the exception of any infringements due to the Products being manufactured in accordance with design specifications submitted by Arjo, the Supplier warrants that the (i) Products, or the import, sale, marketing or use of the Products and (ii) the performance of the Services, do not infringe any third party right including, without limitation, any Intellectual Property Right.

If Products or parts thereof are claimed to infringe any third party right, the Supplier shall without undue delay and at its own cost, either procure for Arjo and Arjo's customers the right to continue the use of Products, modify the Products to be non-infringing; or replace such Products with non-infringing Products with equivalent function and performance.

11. Liability and indemnity

The Supplier agrees to hold Arjo and its affiliated parties harmless from and against all consequences of any and all claims, suits, actions or demands caused by death or by personal injuries or damage to any property or any other losses caused by a safety defect in a

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Product (which is not a direct result of the Supplier following Arjo's design requirements) asserted against Arjo directly or indirectly from any third party.

In addition to all other remedies agreed between the Parties, the Supplier agrees to hold Arjo, and its affiliated parties, harmless from and against any and all costs, fees, penalties, damages, and all other liabilities and obligations whatsoever arising out of any claim, loss or damage which relates to (i) non-compliance by the Supplier with any of its warranties or obligations under the Agreement; (ii) negligence or fault of the Supplier in connection with the design or manufacture of the Deliverables; or (iii) an infringement of a third party right (including but not limited to Intellectual Property Rights).

12. Insurance

The Supplier shall take out adequate global insurance to cover all of its (statutory, contractual and professional) liability, including but not limited to liability arising from Section 11 above. The Supplier shall allow Arjo upon first demand to inspect the relevant insurance policy or policies as well as proof of payment thereof. If Arjo holds the Supplier liable and the Supplier claims any amount from the insurer, the Supplier shall assign such claims for insurance payment(s) to Arjo at Arjo's first demand. The insurance of the Supplier shall apply for the term of the Agreement and for as long as the Supplier still has obligations towards Arjo and/or claims by Arjo may arise.

13. Inspection and acceptance

Arjo reserves the right to inspect and/or audit and test Deliverables at any time during manufacture or prior to shipment. Deliverables shall be deemed accepted by Arjo after a satisfactory final inspection following delivery and installation (if applicable).

Upon Arjo's request, Arjo may audit or appoint a third party to audit the Supplier and any subcontractor engaged in delivering Products or performing the Services. The Supplier shall, without delay, provide Arjo or the third party access to all information and documentation relevant for the audit. The Supplier shall ensure that any subcontractor engaged by the Supplier agrees to be audited. Each party shall bear its own costs in connection with the audit.

14. Compliance, Arjo Business Partner Code of Conduct

The Supplier shall comply with the Arjo Business Partner Code of Conduct (as amended from time to time).

The Supplier undertakes to perform its obligations under the Agreement in accordance with all applicable laws, rules and regulations, including but not limited to

- (i) the US Foreign Corrupt Practices Act and the UK Anti-Bribery Act, irrespective of the place of performance, and laws and regulations implementing the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the U.N. Convention Against Corruption, in the Supplier's country

or in any country where performance of this Agreement will occur; and

- (ii) all applicable laws, regulations and directives pertaining to import and export control or economic sanctions, including without limitation any applicable sanctions or restrictive measures enacted, administered, imposed or enforced by the UN, the EU or the US Government; and
- (iii) all applicable rules on fair competition, and any industry standards, codes and requirements, and otherwise conduct its business with a view to gain goodwill to the Deliverables, the trademarks and other Intellectual Property Rights and to the Parties.

The Supplier certifies that it has obtained all necessary authorizations, licenses, permits and similar government, regulatory and other third party approvals with reference to this Section 14 (jointly "**Authorizations**") for the worldwide delivery, performance and export of the Deliverables. The Supplier shall provide Arjo with copies of Authorizations or similar proof evidencing that Authorizations have been obtained prior to Arjo's delivery or performance of the Deliverables. Specifically and without prejudice to the generality of the foregoing, the Supplier shall inform Arjo, in writing, if there is a need for export licenses in relation to Arjo's worldwide delivery, performance and export of the Deliverables. The Supplier shall use its best efforts to assist Arjo should such licenses be applicable.

In the event of the Supplier's breach of or non-compliance with this Section 14, Arjo shall have the right to terminate the Agreement and/or the PO with immediate effect upon written notice to the Supplier.

15. Force Majeure

Force Majeure shall mean all events which are beyond the control of the Parties, and which are unforeseen, unavoidable or insurmountable, and which were not known at the acceptance of the Agreement and which prevent total or partial performance by either Party. For the avoidance of doubt, strikes, lock-outs or other industrial action or disputes solely related to the Supplier and/or its subcontractors shall not be deemed as events of Force Majeure.

If an event of Force Majeure occurs, a Party's contractual obligations affected by such an event shall be suspended during the period of delay caused by the Force Majeure and the period for performing such obligations shall be extended, without penalty, for a period equal to such suspension.

The Party claiming Force Majeure shall promptly inform the other Party in writing and shall furnish within ten (10) days thereafter evidence of the occurrence and expected duration of such Force Majeure.

In the event of Force Majeure, the Parties shall immediately consult with each other in order to find an equitable solution and shall use all reasonable endeavors to minimize the consequences of such Force Majeure. If the consequences of the Force Majeure event continue for a period of thirty (30) days without a

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solution acceptable to both Parties, the Party that is not subject to Force Majeure shall be entitled to immediately terminate the PO or Agreement.

16. Confidentiality

The Supplier shall keep strictly confidential, and not without Arjo's prior written consent, disclose to any third party any confidential information, and shall allow access to confidential information only to such employees who need such access to perform the Agreement. The Supplier shall use the confidential information only for the purpose of performing the Agreement. The Supplier shall use the same degree of care with respect to the confidential information as it uses for its own most confidential information.

17. Termination

Termination for cause

The Agreement and/or PO may be terminated by Arjo, without prejudice to any other rights and remedies available under the Agreement or otherwise in law, and without Arjo having any liability to compensate the Supplier or to make any payment under Section 3 of these General Terms;

- (i) Upon thirty (30) calendar days' written notice if the Supplier is in breach of any material obligation (including but not limited to non-conformances with the quality management systems or the Quality Agreement, non-conformities in the documentation or traceability of the Products) under this Agreement and the Supplier fails to remedy such breach within such notice period; or
- (ii) With immediate effect upon written notice (a) if maximum liquidated damages have been reached in case of a Delay or if the Supplier has not carried out delayed Services within the fixed final period as set out in Section 5; (b) if the Supplier commences bankruptcy proceedings, makes composition with its creditors, is subject to the appointment of an administrator or is subject to any other similar proceedings having the same or similar effects or if the Supplier otherwise could be deemed to be insolvent; or c) if a substantial change with respect to ownership of the Supplier would occur.

Arjo shall further have the right to terminate the Agreement and/or PO in accordance with the termination rights stipulated in Section 14 and in the Arjo Business Partner Code of Conduct.

Termination for convenience

In addition to Arjo's right to cancel a PO as set out in Section 2 above, Arjo may terminate the Agreement for

any reason by giving the Supplier at least 30 days' prior written notice. Arjo will compensate the Supplier for reasonable proven actual and direct costs and expenses (i) incurred up to the date of termination and (ii) associated with the termination. The Supplier shall provide sufficient documentation for which the Supplier claims reimbursement.

18. Press releases and publicity

The Supplier shall not make, nor permit any person to make, any public announcement, whether oral or written, concerning a PO or the Agreement without Arjo's prior written consent.

19. Miscellaneous

The Agreement constitutes the entire understanding between the Parties relating to the subject matter thereof, and no amendment or modification to the General Terms or other part of the Agreement shall be valid or binding upon the Parties, unless made in writing and signed by the representatives of both Parties. In case the Agreement and/or the General Terms are concluded in both English and another language, the English version shall prevail.

20. Governing Law and Dispute Resolution

The Agreement shall be governed by and construed in accordance with the laws of the place where the purchasing Arjo entity is domiciled. The UN Convention of Contracts for the International Sale of Goods (CISG) shall not apply.

All disputes in connection with the Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with said rules. The place of arbitration shall be the place where the purchasing Arjo entity is domiciled, and the English language shall be used in the proceedings.

Notwithstanding the foregoing, Arjo shall always be entitled to initiate proceedings with local courts and other relevant authorities if the following described controversies, disputes or claims arise: (i) infringement by the Supplier of any Intellectual Property Right to which Arjo has title or license; (ii) the Supplier's improper usage or refusal to return or deliver over any property, including tools, belonging to Arjo; or (iii) any other act or omission on the part of the Supplier what would, in the sole discretion of Arjo, cause Arjo irreparable harm. Further, nothing contained herein shall prevent Arjo from seeking injunctive relief or a mandatory order in any court of competent jurisdiction.