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## GENERAL TERMS AND CONDITIONS FOR PURCHASING

These General Terms and Conditions apply to all requests, quotes, offers, transactions, instructions and Agreements regarding the delivery of Products by the Supplier to Handicare. Applicability of Supplier's general terms and conditions, of whatever title, are hereby explicitly excluded.

All information and data contained in general product documentation and price list shall be binding only to the extent that they are by reference in writing included in the Agreement.

In case of a conflict between a specific clause of the Agreement and these General Terms and Conditions, the specifically agreed clause shall prevail, without prejudice to the applicability of these General Terms and Conditions for the remainder.

### 1. DEFINITIONS

1.1 The terms/definitions below have the indicated meaning in these general terms and conditions of purchase, unless stated otherwise or a different meaning is evident from the context:

**Agreement:** the written arrangements including appendices, amendments, and Product Schedules agreed between Handicare and the Supplier regarding the delivery of Products.

**Applicable Laws:** all laws that are applicable to the Agreement or the activities detailed under it as the same may be amended and in force from time to time.

**Component:** Any component for the Tailor Made Product.

**Delivery:** the moment the conditions in Article 5.4 have been fulfilled.

**Delivery Date:** the date of Delivery of Products.

**Documentation:** all documentation that forms part of the Product, e.g. (digital) drawings, certificates of quality, testing or warranty, CE certificates, manuals, instructions and any other document, needed for the use, assembly, installation and/or maintenance of the Product.

**Free Issue Material:** all free issue material, such as products, drawings, tools and production equipment, models and calculations, to be supplied by Handicare, or by a third party on behalf of Handicare, to the Supplier in connection with the Agreement.

**General Terms and Conditions:** these general terms and conditions of purchase of Handicare.

**Group Purchasing Policy:** Handicare's external policy towards its Suppliers, including ethical and environmental requirements, quality standards as well as the General Terms and Conditions. The Group Purchasing Policy is consisting of the Handicare Supplier Code of Conduct, the Handicare Supplier Quality Standard and the Handicare General Terms and Conditions.

**Handicare:** the relevant legal entity that is a part of Handicare Group AB, which entity is the contractual counterpart of the Supplier; that entity is the user of these General Terms and Conditions.

**Handicare IPR:** any Intellectual Property Rights owned, used or licensed by Handicare.

**Improvement:** any modification, development or derivative of the Tailor Made Products, or its design or manufacturing process, which would make the Tailor Made Products cheaper, more effective, more useful or more valuable, or would in any other way render the Tailor Made Products preferable in commerce, including without limitation, relating to the design of the Tailor Made Products or its tooling.

**Inspection:** the examination and assessment, whether or not in the interim, of the Products as regards conformity with the provisions of these General Terms and Conditions and the Agreement.

**Intellectual Property Rights:** any patent, copyright, registered design or unregistered design right, trademarks, methods, techniques, discoveries, inventions (whether patentable or not),

formulae, formulations, technical and product specifications, equipment descriptions, plans, lay outs, drawings, computer programs and software, assembly, quality control, installation and operating procedures, operating manuals, technical information, designs, data, know-how and other information, and any application for any of the foregoing.

**ISIR:** the initial sample inspection report.

**Off-the-shelf Products:** any product manufactured or sourced by the Supplier, without having received specific instructions from Handicare, for the purpose of being supplied to a wider group of customers.

**Packaging:** all products, including disposables, which may be used for the packaging (including primary and secondary), enclosing, protection, transport, delivery and presentation of Products throughout the entire process from Supplier to Handicare and/or consumer.

**Parties:** Handicare and the Supplier.

**Products:** means both Off-the-shelf Products and Tailor Made Products, as applicable, of which further details may be set out in a Specification and/or the Documentation.

**Specification:** means the specification of the Product, if any, as included or referred to in the product schedule.

**Supplier:** the contractual counterpart of Handicare.

**Supplier Code of Conduct:** an important part of the relationship between Handicare and its Suppliers, defining the standards under which Handicare expect to conduct business responsibly. The Supplier Code of Conduct is part of the Group Purchasing Policy and can be found at Handicare's website at [www.handicaregroup.com](http://www.handicaregroup.com) (Supplying to Handicare).


**Supplier Quality Standard:** the standard determining the processes for continuous improvement of Supplier quality. The Supplier Quality Standard is part of the Group Purchasing Policy and can be found at Handicare's website at [www.handicaregroup.com](http://www.handicaregroup.com) (Supplying to Handicare).

**Tailor Made Products:** any product that is specifically manufactured or sourced by the Supplier for the purpose of only being supplied to Handicare.

**Work Day:** a day on which banks are open for business in the home country of the Supplier (excluding Saturdays, Sundays and public holidays).

1.2 In these General Terms and Conditions, 'written' or 'in writing' is also taken to mean/include communication via email, fax, Electronic Data Interchange ('EDI') or any other (electronic) medium, insofar as explicitly stipulated or indicated by the context.

1.3 The headings in these General Terms and Conditions are for convenience only and shall not affect its interpretation.

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## 2. BACKGROUND

- 2.1 In entering into the Agreement, Handicare relies on the Supplier's expertise to manufacture and/or source the Product and that the Supplier accordingly warrants and represents to Handicare that each Product supplied by Supplier to Handicare shall conform in all respects to the specifications and terms set out in the Agreement, be of satisfactory quality and comply with all Applicable Laws and standards applicable to the Product.

## 3. ACCEPTANCE TESTS

- 3.1 Acceptance tests provided for in the Agreement shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours. The acceptance test including the technical requirements of the Product shall be prepared and/or approved by Handicare unless otherwise stipulated in the Agreement.
- 3.2 The Supplier shall notify Handicare in writing of the acceptance tests in sufficient time to permit Handicare to be represented at the tests. If Handicare is not represented, the test report shall be sent to Handicare and shall be accepted if accurate.
- 3.3 If the acceptance tests show the Product not to be in accordance with the Agreement, the Supplier shall without delay remedy any deficiencies in order to ensure that the Product complies with the Contract. New tests shall then be carried out at Handicare's request.
- 3.4 The Supplier shall bear all costs for acceptance tests, unless otherwise stipulated for in the Agreement.

## 4. SAMPLES

- 4.1 The Supplier shall not commence mass production of the Tailor Made Product until Handicare has issued an ISIR communicating its approval of the pre-production samples as specifically ordered/given by Handicare.
- 4.2 The Supplier shall not commence usage of a Component in mass production of the Tailor Made Product until Handicare has issued an ISIR, communicating its approval of the Component to the Supplier in writing.
- 4.3 The issue of a satisfactory ISIR by Handicare shall constitute irrevocable confirmation that the Tailor Made Product or Component manufactured in conformity with pre-production samples will comply with the Specification, except in respect of defects which are not capable of being revealed on reasonable inspection.
- 4.4 The Supplier shall (i) be responsible for completing any initial subcontractor assessment reasonably requested by Handicare, (ii) be responsible for any preparation in relation to sample/production part sign off, and (iii) ensure that the first samples of the Tailor Made Product and any Components are delivered in accordance with what is stated in the Specification and/or in Article 5 of these General Terms and Conditions.

## 5. DELIVERY, ETC.

- 5.1 Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the Agreement. If no trade term has been specifically agreed, the Delivery shall be Delivery Duty Paid ("DDP"), at the delivery location named by Handicare and on the Delivery Date. Partial delivery shall not be permitted, unless otherwise agreed in writing.
- 5.2 The Supplier guarantees that every Delivery: (i) meets the Specification, (ii) is complete and includes the Documentation; (iii) is carried out in accordance with the Supplier's guarantees as formulated in these General Terms and Conditions; and (iv) is accompanied by a complete packing list, stating at least the name and address of the Supplier, Delivery Date, Handicare's order number, Handicare's product references, description of the article, the quantities ordered, quantities delivered and such other information that Handicare may reasonably request.
- 5.3 The Supplier undertakes to confirm in writing any purchase orders placed by Handicare within five (5) Working Days from receipt of the purchase order. If Handicare has not received confirmation from the Supplier within such period, the purchase order (including, but not limited to, Handicare's proposed Delivery Date) shall, nevertheless, become binding for the Supplier, unless the purchase order deviates from the Agreement or quotation made by the Supplier (as applicable) and the Supplier has informed Handicare of that in writing within five (5) Working Days from receipt of Handicare's purchase order.

- 5.4 Delivery is completed when: (i) the Products have been delivered at the agreed delivery location in accordance with the delivery specifications; (ii) Handicare has received all Documentation relating to the Products; and (iii) Handicare has accepted the Delivery.

- 5.5 As soon as the Supplier knows or may reasonably anticipate that the agreed Delivery Date shall be exceeded or that it shall otherwise fail in complying with the Agreement, it is obliged to immediately notify Handicare thereof giving the reasons, and to confirm this in writing as soon as possible. In that case, Handicare is entitled to suspend its obligations towards the Supplier.

- 5.6 The ownership and the risk of the Products passes to Handicare at the time of Delivery. Any retention of title by the Supplier is null and void.

- 5.7 Without prejudice to its other rights, Handicare is entitled to claim liquidated damages if the agreed Delivery Date is not kept. The liquidated damages amount to two (2) per cent of the total value of the order in question for each commenced week the Products are delayed post the agreed Delivery Date, however, maximum ten (10) per cent of the total value of the order in question. Handicare shall deduct the liquidated damages at the settlement of the subsequent invoices. The payment of liquidated damages shall not relieve the Supplier from the obligation to deliver and perform its obligations under the Agreement. For a delay as stated above, Handicare shall have a right, in its option, to require compensation under this Article 5.7 and/or any other compensation Handicare is entitled to under the Agreement and/or these General Terms and Conditions.

- 5.8 Delivery of the Products by Supplier does not constitute acceptance of the Products by Handicare.

- 5.9 If the delay in Delivery is such that Handicare is entitled to maximum liquidated damages under Article 5.7 and if the Product is still not delivered, then Handicare may by written notice to Supplier terminate the Agreement or portions thereof, at Handicare's sole discretion. If Handicare terminates the Agreement Handicare shall be entitled to compensation for the loss suffered as a result of Supplier's delay subject to the limitations set forth in Article 20 below. Handicare shall also have the right to terminate the Agreement by notice in writing to the Supplier if it is clear from the circumstances that there will occur a delay in Delivery which, under Article 5.7, would entitle Handicare to maximum liquidated damages. In case of termination for this, Handicare shall be entitled to maximum liquidated damages and compensation under this Article 5.9.

## 6. CHANGES


- 6.1 Handicare is - if the Supplier may in all reasonableness comply - at all times entitled to change the size and type of the ordered Products in consultation with the Supplier. Such changes shall be agreed in writing. Specifically regarding Improvements the Supplier shall, as soon as practicable, upon request by Handicare submit to Handicare for approval a pre-production sample of the Tailor Made Product.

- 6.2 If the changes, in the opinion of the Supplier, have consequences for the agreed fixed price and/or the Delivery Date, the Supplier shall, before executing the changes, inform Handicare of the consequences in writing as soon as possible, but at latest within five (5) Working Days of receiving notification of the desired changes. If in the opinion of Handicare these consequences for the price and/or Delivery Date are unreasonable, the Parties will consult on the matter.

- 6.3 The Supplier shall not without prior written approval from Handicare make any changes in the Tailor Made Products or in the manufacturing process of the Tailor Made Products.

- 6.4 The Supplier undertakes to proactively inform Handicare, and in no event later than six (6) months in advance, when manufacturing of an Off-the-shelf Product will be discontinued, and it shall give Handicare a last opportunity to place a purchase order for such Off-the-shelf Products.

- 6.5 The Supplier undertakes to make all creative and technical insights, knowledge and skills it has as a prudent Supplier available to Handicare and inform Handicare when alternative solutions become available without delay and reservation in order to safeguard proper Delivery and transport.

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## 7. ORDER CANCELLATION

- 7.1 Handicare is entitled to cancel an order to the extent that the Products have not been delivered by the Supplier. Handicare shall promptly inform Supplier in writing of the cancellation of the order. Upon receipt of the cancellation mentioned, the Supplier shall do everything reasonably possible to reduce costs due to the cancellation to a minimum. As the only concession Handicare shall compensate the unavoidable costs that the Supplier has accrued up to the time that the notification of cancellation was received by the Supplier, net of any savings achieved as a result of the cancellation by Handicare, provided that the Supplier to the satisfaction of Handicare can document such cancellation costs.

## 8. DOCUMENTATION

- 8.1 All Documentation to be provided with the Product shall be drawn up in English, unless agreed otherwise by the Parties in writing.
- 8.2 Handicare obtains a free and transferable right to use the Documentation in any way it sees fit. Reproduction of the Documentation is permitted exclusively for own use. Use for customer information falls under the definition of own use.

## 9. PACKAGING

- 9.1 The Products must be packed in an environmentally friendly manner, must comply with all Applicable Laws, and any additional requirements following Handicare's instructions.
- 9.2 Unless otherwise stipulated in the Agreement, all transport packaging as opposed to Product packaging shall remain the property of the Supplier and shall be promptly removed by Supplier in conjunction with or promptly after Delivery.

## 10. PRICE, PAYMENT, ETC.

- 10.1 Prices are quoted exclusive of VAT and comprise all costs relating to the fulfilment by the Supplier of all its obligations to Handicare including Packaging, unless agreed otherwise in writing. The prices shall be based on DDP unless otherwise agreed in writing between the parties.
- 10.2 All prices are fixed for a minimum of twelve (12) months after the date of first Delivery of the Product, unless agreed otherwise by the Parties in writing.
- 10.3 Unless agreed otherwise by the Parties in writing, payment shall be made on the basis of net invoice amounts within sixty (60) days of receiving the invoice, provided Handicare has accepted the Products and received and approved the Documentation. Payment by Handicare does not in any way constitute a waiver of rights.
- 10.4 Handicare is entitled to suspend payment of an invoice if it is of the opinion that the Products delivered fail to comply with the Agreement and/or show defects, or if the Supplier otherwise fails to fulfil its obligations under the Agreement.
- 10.5 The Supplier is not permitted, without the prior permission of Handicare, to assign, pledge or transfer ownership of its rights on payments from Handicare in full or in part to third parties under any title whatsoever.

## 11. INVOICES, ETC.

- 11.1 Any invoice issued to Handicare by the Supplier must state Handicare's order number as well as the item number(s), any applicable project number, quantities and description of the Products delivered. The invoice must also meet all statutory requirements, including but not limited to, stating the price exclusive and inclusive of VAT, the VAT amount, the Supplier's VAT number, chamber of commerce file reference number and IBAN. The invoice shall be issued digitally and in the language of the country where the Goods are shipped from and/or in English.
- 11.2 An invoice that does not fulfil the requirements set out in Article 11.1 will not be accepted or runs the risk of serious delay in handling.
- 11.3 The Supplier is entitled to submit its invoice at the date the Products are delivered at Handicare.
- 11.4 All claims on and other rights of the Supplier towards Handicare, on whatever grounds, will in any event expire on the passing of one (1) year from the occurrence of the fact on the basis of which the Supplier can exercise these claims and rights against Handicare.

## 12. FREE ISSUE MATERIAL

- 12.1 Free Issue Material (if any) remains the property of Handicare. The Supplier shall store all Free Issue Material supplied by Handicare separately from material belonging to the Supplier or third parties, and shall keep such Free Issue Material properly identified by part

number and date of receipt and as the property of Handicare at all times. The Supplier shall use all such Free Issue Material supplied by Handicare on a FIFO (First-In, First-Out) basis unless otherwise instructed by Handicare. The risk of loss of or damage to the Free Issue Material shall lie with the Supplier from the point of receipt to collection by the freight forwarder, whether through assembly into the Products or otherwise.


- 12.2 The Supplier shall not, either directly or indirectly, use the Free Issue Material for any other purpose than to manufacture Products, or for Delivery to Handicare (as the case may be).
- 12.3 Upon termination of the Agreement, the Supplier shall return all unused Free Issue Material to Handicare, or to such other person as Handicare may nominate by written notice.
- 12.4 If any processing of Free Issue Materials or Handicare IPR results in new Products being created, the ownership and rights to such Products vests in and passes to Handicare at the time of the processing.

## 13. QUALITY

- 13.1 Supplier's performance shall be supervised and inspected in accordance with Supplier's quality system in order to ensure the compliance with agreed quality assurance requirements. Supplier's quality system shall, as a minimum, fulfil the requirements set forth in e.g. ISO 9001 (latest version) or similar third party certification, recognised by Handicare, with the obligation to set a zero-defect goal and to continuously improve its performance. For Tailor Made Products, Supplier will comply at all times with the Supplier Quality Standard.
- 13.2 Suppliers must comply with the Supplier Code of Conduct and all applicable legal regulations regarding the environment. Suppliers must provide corresponding certificates at Handicare's request.
- 13.3 Handicare reserves the right, through quality-audits and visits to Supplier's premises and plants, to review the compliance with the Supplier's quality system. This right shall, to the extent legally possible, also be extended to cover the work of any subcontractor(s) controlling, controlled by or under common control with Supplier. Each Party will bear its own costs in relation to such inspection. Any such quality-audits and visits shall be performed during normal working hours in such a manner as not to interfere with Supplier's or the relevant subcontractor(s) normal design, development and integration processes. Supplier shall support all quality-audits and visits made by Handicare with adequate and sufficient personnel and with the documentation reasonably required by Handicare.
- 13.4 If the Supplier fails to fulfil any of the requirements in this Article, Handicare shall be entitled to terminate the Agreement, including all open orders, with immediate effect.

## 14. CONFORMITY, INSPECTION, DEFECTS, ETC.

- 14.1 Handicare accepts no limitation on its maximum rights towards the Supplier, as specified in Applicable Laws, regarding a claim on absence of conformity (or the consequences of a claim) by any consumer of Handicare that the delivered Products do not correspond with the Agreement.
- 14.2 Handicare, at all times, reserves the right to instruct or perform Inspections of the Products and the Supplier's fulfilment of the General Terms and Conditions and the Agreement, be it during production, processing, storage or after Delivery, which Inspection will not be regarded as acceptance of the Products. The Supplier will provide its cooperation to the Inspection and at no expense.
- 14.3 If Handicare, following an Inspection, decides to reject all, or part of, the Products, Handicare is entitled to suspend its payment obligations proportionately and exercise the rights referred to in Article 20.
- 14.4 If the Supplier does not collect the rejected Products within ten (10) Working Days, Handicare will be entitled to return the Products to the Supplier at the Supplier's risk and expense.
- 14.5 Handicare reserves the right to refuse the Delivery of Products that show transport damage, without prejudice to all its other rights.

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#### 15. GUARANTEE

- 15.1 The Supplier guarantees that the Products delivered comply with the Agreement and the Specification and that they have the properties agreed on, including full compliance with the Documentation, are free from defects and have been made of materials that are suitable for their intended purpose and comply with the Group Purchasing Policy and any and all statutory requirements and other applicable legislation and/or generally accepted standards and guidelines with regard to quality, health and the environment such as – but not limited to – the REACH and RoHS EU directives, both at national and international level, all as applicable at the time of Delivery of the Products.
- 15.2 Upon Handicare’s request, the Supplier shall provide necessary documentation and/or certificates of relevant Products and the country of origin.
- 15.3 The Supplier undertakes, at its own expense, to timely apply for, and to submit, all official approvals, permits, licenses and documentation necessary for the purchase, shipment and use of the Products, and only to supply Products that comply with all applicable legal requirements, in particular those of the country in which the Handicare production facility receiving the Products is situated.
- 15.4 If the Agreement or applicable legislation or rules do not stipulate otherwise, the Supplier shall furnish full warranty on the Products for a period of twenty four (24) months after Delivery. When applicable, the date of acceptance by Handicare instead of the Delivery Date shall be regarded as the warranty period start date.
- 15.5 If Handicare purchases Products based on a formally approved sample, such to be agreed upon in writing between the Parties, the delivered Products must comply with the formally approved sample at all times.

#### 16. RECALL

- 16.1 Handicare shall notify the Supplier about any event or Product defects that could result in a product recall. Without limiting any other remedies available to Handicare under the General Terms and Conditions, Handicare is entitled to cease the sale of and require the Supplier to recall any Products supplied by the Supplier that do not meet the applicable quality standards or Applicable Laws and/or the Specification. As soon as the Supplier becomes aware of such a situation, it shall immediately take all necessary actions to analyse and investigate what has created the recall event or the potential recall event and consider appropriate remedies. The cost of implementing a recall or any other actions necessary to remedy a recall event hereunder will be borne by the Supplier by way of the Supplier without delay providing Handicare with a credit-invoice for the purchase value of all the recalled Products plus a handling fee of 25% of said applicable purchase value.

#### 17. INTELLECTUAL PROPERTY RIGHTS, ETC.

- 17.1 The Supplier grants Handicare a non-exclusive, irrevocable licence, subject to any Intellectual Property Rights and other exclusive rights regarding the Products supplied. Pursuant to this licence, Handicare shall have the right to use and apply, in the course of Handicare’s business, the inventions and know-how incorporated into the Products to the extent these are protected by the rights referred to, including to repair the Products and/or to cause them to be repaired, and Handicare shall also be authorised to supply the Products to third parties, whether or not the Products are supplied to the third parties as a component of other goods. The fee for this licence is included in the price for the Product.
- 17.2 The Supplier warrants that the Products do not infringe the Intellectual Property Rights of any third parties and shall defend and indemnify Handicare, companies affiliated with Handicare and Handicare’s clients and customers for all costs, loss or harm that may arise as the result of any infringement or alleged infringement of such rights. Handicare reserves the right to determine the credibility of such third-party claims. Handicare reserves the right, with a timing of its own election, to take measures Handicare considers appropriate, including - but not limited to - reaching settlement with the relevant third party under conditions that are acceptable to Handicare. Handicare is entitled to charge the resulting (e.g. financial) consequences to the Supplier. Handicare will endeavour to limit the consequences and costs to a reasonable level.


- 17.3 If the Agreement provides for the development of software or if the Delivery of Products also comprises availability of software, the Supplier is, at Handicare’s request, obliged to provide Handicare with the relevant source code or to deposit it with an independent third party under conditions to be agreed on, enabling Handicare to gain access to this source code in the event of the Supplier’s insolvency or in the event the Supplier is no longer able or willing to maintain software or make the software available.
- 17.4 The title to and all Intellectual Property Rights in respect of any Improvement made, developed or acquired by either Party shall vest in Handicare and the Supplier shall procure that all Intellectual Property Rights in respect of any Improvement made, developed or acquired by any subcontractor of the Supplier shall be assigned to Handicare. Article 18.5 shall apply mutatis mutandis.

#### 18. HANDICARE IPR

- 18.1 If Handicare needs to disclose to the Supplier any Handicare IPR necessary to enable the Supplier to manufacture or source the Product, the Parties shall sign a separate non-disclosure agreement regarding the Handicare IPR and confidential information.
- 18.2 Handicare authorises the Supplier to use the Handicare IPR disclosed under Article 18.1 and the separate non-disclosure agreement only for the purposes of performing its obligations under the Agreement. Handicare owns and retains all Handicare IPR provided to the Supplier, and the Supplier shall have no rights in respect of any Handicare IPR. The Supplier shall not supply Products produced through the use of Handicare IPR to any person other than Handicare, and shall not use any Handicare IPR except for the purposes specified in this Article 18.2. The Supplier shall, after termination of the Agreement, refrain from any form of disclosure, reproduction or distribution of any Handicare IPR.
- 18.3 The Supplier shall use Handicare’s trademarks on or in relation to the Product only in the form and manner specified by Handicare from time to time.
- 18.4 The Supplier shall promptly and fully notify Handicare of any actual or threatened infringement of any Handicare IPR which comes to the Supplier’s notice, or which the Supplier suspects has taken place.
- 18.5 At Handicare’s request, the Supplier and Handicare shall at a mutually agreeable cost do all things necessary to achieve assignment to Handicare by the Supplier of all Intellectual Property Rights pertaining to a Tailor Made Product.
- 18.6 All and any Intellectual Property Rights of any nature which are created or generated during or as a result of the performance of an Agreement for Tailor Made Products shall vest in Handicare with effect from their creation and the Supplier shall procure that any Intellectual Property Rights of any nature which are created or generated by any of its subcontractors during or as a result of the performance of their obligations to the Supplier in connection with the Agreement shall be assigned to Handicare with effect from their creation. The Supplier shall, and shall procure that its subcontractors shall, take all such steps and execute all such documents as may be necessary to vest such rights in Handicare’s name or as Handicare shall direct, and the Supplier herewith gives Handicare an irrevocable power of attorney to execute such in the event of absence of the Supplier to comply with Handicare’s request towards such execution within five (5) Working Days after Handicare’s request.
- 18.7 The Supplier hereby expressly confirms that Handicare has no obligation to pay the Supplier or its subcontractors any compensation of whatever nature for the titles of the Intellectual Property Rights assigned to Handicare pursuant to this Article 18.

#### 19. CORPORATE RESPONSIBILITY

- 19.1 Supplier shall, at all times, during the term of the Agreement and/or in conjunction with manufacture and supply of Products to Handicare follow the Supplier Code of Conduct . Handicare shall through audits and/or visits to Supplier’s premises and plants, have the right to review the compliance with the above.
- 19.2 A breach of the Supplier Code of Conduct shall constitute an incurable material breach.

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## 20. LIABILITY

- 20.1 Each party's direct liability to the other party in connection with the Agreement will be limited to the higher of (i) the aggregated amount Handicare has paid the Supplier under the Agreement, or (ii) € 500,000. To the maximum extent permitted by Applicable Laws, neither the Supplier nor Handicare will be legally responsible for any indirect or consequential damages in connection with this Agreement.
- 20.2 The limitation of liability as set out Article 20.1 does not apply to Supplier's liability to Handicare for (i) violation of its confidentiality obligation or violation of Handicare's intellectual property rights, or for (ii) damages resulting from gross negligence or wilful misconduct. Further and without prejudice to the aforesaid the Supplier shall indemnify Handicare against all financial consequences of third-party claims, related in any way to the Agreement, including product liability claims caused by the Supplier.
- 20.3 The Supplier shall at its own cost procure from a reputable insurance company sufficient property insurance coverage for all stock at the risk of the Supplier including, when applicable, Free Issue Material, to its full reinstatement value, and for all recall costs (if any) as specified in Article 16. The Supplier shall comply with Handicare's reasonable instructions regarding the terms and conditions of the insurance policy. The Supplier will unsolicited and on first request provide Handicare with a copy of the relevant insurance policy.
- 20.4 The Supplier shall compensate all judicial costs and reasonable attorneys' fees of Handicare related to any shortcoming on the part of the Supplier.

## 21. SHORTCOMINGS


- 21.1 An attributable shortcoming on the part of the Supplier, barring prompt evidence to the contrary, occurs if: (i) the delivered Products, or part of the delivered Products, does not meet the conditions of the Agreement; (ii) a defect regarding the quality or the capacity of the delivered Products, or part of the delivered Products, is detected; (iii) the Delivery, or a part of the Delivery, is not delivered on the Delivery Date; or (iv) the Supplier fails or has failed to live up to any guarantee provided by the Supplier.
- 21.2 If one of the incidents set out in Article 21.1 occurs, Handicare shall communicate such to the Supplier in a timely, reasonable and motivated manner.
- 21.3 In case of non-, late or inadequate performance by the Supplier (e.g. if the Products deviates from the agreed Specification), Handicare is entitled, at its own discretion and without prejudice to its other rights by virtue of law, the Agreement and these General Terms and Conditions, to claim: (i) immediate replacement of the Products at no expense; (ii) immediate repair of the Products; (iii) immediate Delivery of the missing Products; (iv) reduction of the purchase price; (v) full or partial dissolution of the underlying Agreement; and/or (vi) full or partial dissolution of all current Agreements.
- 21.4 The term "immediate" in this Article 21 is defined as five (5) Working Days, unless Handicare agrees in writing to a longer period, or less than five (5) Working Days if Handicare presents adequate grounds to demand a shorter period, which the Supplier may still reasonably comply with. If the Supplier does not fulfil its obligations or if urgency so dictates, Handicare, without prejudice to its own rights, is entitled to acquire the relevant Products, at the Supplier's expense, from a third party, or to instruct a third party to carry out repairs and to charge the resulting costs to the Supplier, subject to the limitations set forth in Article 20.1. The Supplier shall on request and at no expense provide Handicare with all components required to remedy the defects in the Products.
- 21.5 If Handicare stores, waiting for repair of or replacement of Products that do not meet the terms of the Agreement, Products, such storage by Handicare will be for the risk and account of the Supplier.
- 21.6 In the event of non-attributable shortcoming, for example acts of God, acts of civil or military authority, fires, floods, epidemics, quarantine restrictions, war, riots, strikes, lockouts, breakdown, the Party in question shall give the other Party written notice of such event as soon as possible, but at the latest within ten (10) Working Days after the occurrence of the non-attributable shortcoming, and the obligations of both parties shall be suspended for the duration of that event with a maximum of four (4) weeks. The Parties will

during that period consult with one another in order to find an acceptable solution.

- 21.7 If the Supplier enters insolvency-proceedings, is granted a (provisional) moratorium or a debt rescheduling scheme, ceases its business operations, or if attachment is imposed on its business assets, or parts thereof, or products required for the performance of the Agreement, and such attachment is not lifted within a reasonable period of time set by Handicare, all claims of Handicare become collectable and Handicare is furthermore entitled to dissolve the Agreement with immediate effect, without prejudice to Handicare's other rights.

## 22. OTHER PROVISIONS

- 22.1 The Supplier shall strictly adhere to the non-disclosure agreement entered into by the Parties (if any), and shall observe strict confidentiality with regard to all information obtained from Handicare, and shall not disclose such without the written permission of Handicare. This duty of confidentiality covers the existence, the nature and the content of the Agreement, as well as any other product- and company-information pertaining to Handicare, including Handicare IPR.
- 22.2 Failure on the part of Handicare to enforce strict compliance with these General Terms and Conditions will at no time mean that these provisions are not applicable or that Handicare loses / has lost any right to demand strict compliance.
- 22.3 If these General Terms and Conditions are amended by Handicare, the amended version will form part of every Agreement concluded between the Supplier and Handicare after the amended version comes into effect.
- 22.4 Rights and obligations of the Supplier ensuing from the Agreement concluded between the Parties and execution thereof, may not be transferred to third parties, unless Handicare has given its consent for such transfer in writing. Handicare may set reasonable conditions to its consent, including that the third party who assumes the obligations of the Supplier will, prior to performance, provide reasonable security and declare in writing that it accepts applicability of these General Terms and Conditions.
- 22.5 The Supplier waives any right on any grounds whatsoever to resist a decision by Handicare to transfer its rights and obligations under the Agreement to a third party.
- 22.6 Any waiver by either Party of a breach of any provision of the Agreement or the General Terms and Conditions shall not be considered as a waiver of any subsequent breach of the same or any other provision and a Party's failure to exercise or delay in exercising any right, power or privilege shall not operate or be confirmed as a waiver or a consent to the modification of the terms of the Agreement or the General Terms and Conditions unless given by that Party in writing.
- 22.7 If one or more provisions of these General Terms and Conditions are invalid, void or voidable, it shall not affect the validity of the other provisions. Such provisions shall be replaced with a provision that shall reflect the purport and meaning of the original provision as closely as possible.
- 22.8 Unless approved in writing by Handicare, the Supplier may not use a subcontractor for the Manufacturing of Tailor Made Products. If the Supplier has received such approval from Handicare to use a subcontractor, the Supplier shall be jointly and severally liable for damages caused by the subcontractor.
- ## 23. TERMINATION OF THE AGREEMENT
- 23.1 Either Party is entitled to terminate the Agreement by means of a registered letter, if the other Party, after having been appropriately declared in writing to be in default, fails to fulfil its obligations under the Agreement or the General Terms and Conditions within thirty (30) Working Days.
- 23.2 In the event a Supplier breaches the Supplier Code of Conduct, Handicare is entitled to terminate the Agreement with immediate effect.
- 23.3 The right to terminate the Agreement shall not prejudice any other right or remedy of either Party in respect of the breach concerned (if any) or any other breach.
- 23.4 On the termination of the Agreement for any reason, the Supplier shall offer to sell to Handicare all Tailor Made Products that have been manufactured by the Supplier but not delivered to Handicare at the date of termination at the price set out in the Agreement. Usable but unused stocks of labelling and packaging or components

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- for the Product bearing any of Handicare's trademarks shall be offered at a price equal to their cost to the Supplier.
- 23.5 Subject to Article 23.3, on the termination of the Agreement for any reason the Supplier shall immediately: (i) cease to manufacture and sell any Tailor Made Products; (ii) cease to use, either directly or indirectly, any Handicare IPR; (iii) return to Handicare any documents, discs or any other data storage medium in its possession or control which contain or record any part of any Handicare IPR; (iv) consent to the cancellation of any formal licence granted to it, or of any record of it in any register, in respect of any Handicare IPR; and (v) return any Free Issue Material to Handicare.
- 23.6 Obligations, such as warranties, assumed by the Parties that, according to their nature, are destined to continue after termination or lapsing of the term of the Agreement, shall remain in full force and effect.
- 24. GOVERNING LAW, COMPETENT COURT**
- 24.1 Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be English.
- 24.2 The Agreement, including the General Terms and Conditions, shall be governed by the substantive laws of Sweden. The United Nations Convention on Contracts for the International Sale of Goods (CISG Convention Vienna 1980) is explicitly excluded.

- 24.3 The Parties will only bring a dispute to arbitration after they have made every effort to settle the dispute by mutual agreement.
- 24.4 A dispute between the Parties shall never constitute a reason for the Parties to suspend their obligations under the Agreement.

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#### Revision history

<b>Revision:</b>	<b>Date</b>	<b>Change description</b>
1	15-12-2017	New Group format