

1. Scope and Application

- 1.1 These general terms and conditions of purchase (“**General Terms of Purchase**”) shall apply to all sales, quotations and deliveries to companies from time to time forming part of the Quatro (referred to as “**QUATRO**”) and shall form an integrated part of purchase orders placed by QUATRO (“**Purchase Order**”). In the event QUATRO and a Supplier (as defined below) enter into a separate agreement for the purchase by QUATRO of Products (as defined below), these General Terms of Purchase and such separate agreement shall constitute the entire agreement between the parties. If the provisions of such separate agreement and the provisions of these General Terms of Purchase are contradictory, the provisions of the separate agreement shall prevail.
- 1.2 The “**Supplier**” shall mean a party with whom QUATRO has placed a Purchase Order or entered into an agreement with regarding the purchase of products or from whom QUATRO has received a tender or quotation.
- 1.3 All products delivered to QUATRO under these General Terms of Purchase are referred to herein as the “**Products**”.
- 1.4 These General Terms of Purchase shall prevail and exclude application of any general or specific terms or conditions of the Supplier.
- 1.5 Deviation from the application of these General Terms of Purchase is subject to written agreement.

2. Purchase Order

- 2.1 A Purchase Order will normally include the following information: (a) date of issuance; (b) order number; (c) specification of the Products, including quantity; (d) price and payment terms; (e) requested date(s) of delivery; (f) requested shipping destination(s); and (g) instructions as to shipping and method(s) of transportation.
- 2.2 The Supplier shall within two (2) working days from receipt of a Purchase Order confirm to QUATRO in writing whether the Purchase Order is accepted or rejected. If the Supplier does not respond to or reject the Purchase Order within the stipulated time, the Purchase Order shall be deemed accepted.
- 2.3 These General Terms of Purchase shall under no circumstances give rise to any obligations of QUATRO to issue Purchase Orders or otherwise purchase Products from the Supplier.
- 2.4 A forecast shall in no event be considered binding upon QUATRO or be interpreted as an

undertaking to purchase a certain amount of Products.

3. Cancellation and Postponement

- 3.1 QUATRO is, up to and until thirty (30) days before the agreed delivery date, entitled to cancel a Purchase Order, in part or in whole, without incurring any costs or liability to compensate the Supplier.
- 3.2 QUATRO is, up to and until two (2) days before the agreed delivery date, entitled to postpone the agreed delivery date without incurring any costs or liability to compensate the Supplier.

4. Deliveries

- 4.1 Unless otherwise agreed in writing between QUATRO and the Supplier, the Products shall be delivered “DDP”, to the delivery address stated in the Purchase Order, in accordance with the then prevailing version of “Incoterms”.
- 4.2 The Supplier shall deliver the Products on the agreed date of delivery, with the risk and title passing to QUATRO upon delivery.
- 4.3 Unless otherwise agreed in writing, the Supplier is responsible for making appropriate arrangements as regards to packaging and method of delivery of the Products.
- 4.4 Deliveries shall be accompanied by the appropriate shipping documents. All shipping documents and/or invoices shall contain the number of the relevant Purchase Order and, where applicable, any additional information as to the specific Products.
- 4.5 The Supplier shall promptly notify QUATRO in case there is reason to believe that a delivery of Products may be delayed, specifying the relevant circumstances in each case. The Supplier shall use its best efforts to minimise the negative effects for QUATRO caused by the delay, including but not limited to arranging at Supplier’s expense a faster way of delivery.
- 4.6 In case of delay, QUATRO shall be entitled to liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of one (1) per cent of the agreed price for each commenced week of delay. If the delay concerns only a part of the Product, the liquidated damages shall be calculated on the part of the price which is properly attributable to the part of the Product which cannot be taken in use due to the delay. The liquidated damages shall not exceed ten (10)

per cent of that part of the price on which it is calculated.

4.7 QUATRO shall be entitled to issue an invoice to the Supplier for payment of liquidated damages, or to set off such liquidated damages against the Supplier's invoices. The payment of any such amount or parts thereof shall not discharge the Supplier of its obligation to supply the Product.

4.8 QUATRO shall further have the right to claim compensation for any claims, losses, damages, costs, fees, expenses, penalties and other liabilities, including but not limited to labour costs and costs of covering purchases, (together "Liability") incurred as a result of delay in delivery, if such Liability exceeds the aggregate of the liquidated damages paid or payable by the Supplier to QUATRO. If a delay in delivery has exceeded four (4) weeks, QUATRO may further cancel the relevant Purchase Order, in whole or in part.

5. Price and Payment terms

5.1 The price for the Products shall be set out in the relevant Purchase Order.

5.2 QUATRO shall be invoiced by the Supplier on the date specified in the Purchase Order. Invoices shall be paid by QUATRO within sixty (60) days after receipt of a complete and correct invoice.

5.3 No additional charges or costs other than those expressly agreed shall be invoiced. The purchase price is inclusive of any taxes, duties, levies, withholdings and any other applicable charges.

5.4 Payment by QUATRO shall under no circumstances be construed as an acceptance of the Products nor be construed as a waiver of any rights that QUATRO may have hereunder or under applicable law or contract.

6. Warranties

6.1 The Supplier warrants that the Products shall comply with all requirements set out in the Purchase Order and any applicable Product specifications, that the Products are of merchantable quality and free from any defects, whether due to faulty design, poor material or workmanship, and that the Products have been manufactured in accordance with all applicable laws and regulations.

6.2 The Supplier warrants that it is the lawful owner of the Products and holds the rights to any and all patents, copyrights or other intellectual property pertaining to the Products, enjoying full title and the respective rights to transfer or otherwise dispose of the Products, without any security interests or other encumbrances or liens

attached to them. The Supplier warrants that the use of the Products does not infringe upon any patent, copyright or other intellectual property right, including trade secrets, of any third party.

6.3 The Supplier's warranties, whether in writing or oral, express or implied, shall be applicable for a period of twelve (12) months from the delivery of the Products to QUATRO, except for the warranty regarding non-infringement of intellectual property rights which shall be unlimited in time.

7. Defective Products

7.1 If the Products should fail in any respect to fulfil the warranties set out in Clause 6 above, such Products shall be deemed to be defective. QUATRO may, without prejudice to any further rights it might have in contract or law, (i) request that the defective Products are repaired or replaced, or (ii) return any defective Products to the Supplier at the expense of the Supplier.

7.2 The Supplier shall repair or replace any defective Products promptly, at its expense, within a maximum of ten (10) days after QUATRO's request thereof.

7.3 QUATRO may always return any defective Products to the Supplier, at the latter's expense, in exchange for either (i) the prompt and full refund of the price paid for such defective Products, or (ii) a corresponding credit for future purchases. The choice between (i) and (ii) above shall be made by QUATRO in its sole discretion.

7.4 QUATRO is further entitled to claim compensation for any and all Liability suffered or incurred by QUATRO due to the defective Products.

8. Indemnity

8.1 The Supplier shall indemnify, hold harmless and defend QUATRO from and against any infringements of copyrights, patents or other intellectual property rights relating to the Products or alleged to be caused by the marketing and sale of the Products.

8.2 The Supplier shall indemnify and hold QUATRO harmless from and against all Liability arising out of any claim or damage which is caused, directly or indirectly, or relates to any non-compliance by the Supplier with any of its obligations under relevant Purchase Order and/or these General Terms of Purchase.

8.3 Neither party is liable to the other party for any lost profits, lost business opportunities, loss of

- anticipated savings, loss of goodwill or any indirect or consequential loss or damage.
- 8.4 Nothing herein shall exclude or limit liability under Section 6.2 (IPR), Section 9 (Product Liability and Recall), Section 10 (Confidentiality), Section 13 (Anti-Bribery Laws, Sanctions Laws and Code of Conduct) or any liability resulting from fraud, gross negligence or wilful misconduct, death or personal injury.
- 9. Product Liability and Recall**
- 9.1 The Supplier shall indemnify and hold QUATRO harmless from all Liability arising from death or personal injury, damage to any property or any other losses caused by a defect in the Product attributable to the Supplier.
- 9.2 If QUATRO decides or is required to carry out a recall of its finished products owing to defects or suspected defects in the Product, the Supplier shall (at its own expense) cooperate fully and comply with QUATRO's reasonable instructions regarding such recall. The Supplier shall indemnify and hold QUATRO harmless from all Liability arising out of such a recall provided that the recall is caused by defects or suspected defects in the Product attributable to the Supplier.
- 10. Confidentiality**
- 10.1 All information disclosed by QUATRO to the Supplier relating to QUATRO, including its business, prices and products, is proprietary and confidential. Whether disclosed prior to or after the conclusion of any agreement with the Supplier regarding the Products, the information shall be treated as strictly confidential and shall not be disclosed to any third party without prior written consent from QUATRO. The Supplier may further use such confidential information solely for the purpose of fulfilling its undertakings in relation to QUATRO.
- 10.2 The confidentiality undertaking in Clause 10.1 shall not apply to information which the Supplier can show (i) was in the public domain at the time of its disclosure or subsequently has come into the public domain, through no breach of these General Terms of Purchase or other agreement with QUATRO, or (ii) was already known to the Supplier at the date of receipt of the information, without being subject to any additional obligation of confidentiality, or (iii) has been received from a third party having the unrestricted right to disclose the information.
- 11. Insurance**
- The Supplier shall maintain and upon QUATRO's request provide proof of a comprehensive insurance policy to cover its liabilities including general third party liability and product liability.
- 12. Force Majeure**
- 12.1 Neither party shall be liable for failure to perform its obligations under these General Terms of Purchase or a Purchase Order to the extent the concerned party's due performance is prevented by circumstances beyond its control such as war, warlike hostilities, acts of authorities, labour conflicts, fire, storm, flood or other circumstances of similar importance. A party who claims relief due to such force majeure must notify the other party thereof without delay.
- 12.2 Either party may, if such non-performance continues for more than three (3) months, terminate the concerned Purchase Order(s) forthwith by giving notice in writing to the other party in which event neither party shall be liable to the other by reason of such termination.
- 13. Anti-Bribery Laws, Sanctions Laws and Code of Conduct**
- 13.1 The Supplier shall, and shall procure that its personnel shall, at all times, conduct business in compliance with: (i) the US Foreign Corrupt Practices Act, the UK Bribery Act 2010, the Swedish Penal Code and the anti-bribery laws of any territory in or from which the supplier provides the Product to QUATRO, in each case as amended from time to time ("**Anti-Bribery Laws**"); (ii) all applicable laws, rules, regulations or orders of any jurisdiction imposing or enforcing or otherwise pertaining to economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by any governmental authority ("**Sanctions Laws**"); and (iii) QUATRO's Supplier Code of Conduct as from time to time notified by QUATRO in writing.
- 13.2 QUATRO shall have the right to review and audit, or appoint a suitable professional adviser to review and audit, during normal business hours and subject to reasonable prior notice, the Supplier's books and records, insofar as they relate to the Product provided hereunder, for the purpose of assessing the Supplier's compliance with this Section 13.
- 13.3 QUATRO or its representatives shall have the right to reproduce (at their cost) and retain copies of any such books and records; and QUATRO may terminate its agreement with the Supplier with immediate effect, in whole or in part, by written notice to the Supplier at any time, if in QUATRO's reasonable judgment; the

Supplier is in breach of any provision of this Section 13. Termination in accordance with this Section 13 does not affect (i) any accrued liabilities and rights of the parties prior to such termination and (ii) any provision stated to survive or that by its nature survives termination.

counterclaims made in the Answer to the Request for Arbitration.

- 13.4 QUATRO shall be under no obligation to fulfil any outstanding payments (and may withhold such payments), if such payments would, or at QUATRO's opinion be deemed to, constitute a breach by QUATRO of any relevant Anti-Bribery Laws or Sanctions Laws or otherwise would constitute a criminal offence by QUATRO or accomplishment to a criminal offence. QUATRO shall be entitled to withhold such payments until it is resolved whether QUATRO has any obligation to fulfil such payments.

14. Miscellaneous

- 14.1 If any provision of the General Terms of Purchase (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.
- 14.2 Neither party may assign or transfer or sub-contract any of its rights, benefits or obligations under the General Terms of Purchase without the prior written consent of the other party, with the exception of QUATRO doing so to an affiliated company.

15. Governing Law and Disputes

- 15.1 These General Terms of Purchase shall be governed by Canada substantive law.
- 15.2 Any dispute, controversy or claim arising out of or in connection with these General Terms of Purchase, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the SCC Arbitration Institute. The seat of the arbitration shall be Montreal, Canada. The language to be used in the arbitral proceedings shall be English .

The Rules for Expedited Arbitrations shall apply where the amount in dispute does not exceed \$ 100,000. Where the amount in dispute exceeds \$ 100,000 the Arbitration Rules shall apply. The Arbitral Tribunal shall be composed of a sole arbitrator where the amount in dispute exceeds \$ 100,000 but not \$ 1,000,000. Where the amount in dispute exceeds \$ 1,000,000, the Arbitral Tribunal shall be composed of three arbitrators. The amount in dispute includes the claims made in the Request for Arbitration and any