

## **Appendix F**

Price adjustment

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## **1. PRICE ADJUSTMENT**

### **1.1 Terms of price adjustments**

The prices set out in Appendix C shall be fixed for the first 12 (twelve) months after Commencement.

After the expiry of the period mentioned above, price adjustment may take place every 12 (twelve) months. Price adjustments can only concern future purchase orders.

The price adjustment may take place at the Supplier's or DALO's initiative. DALO or the Supplier shall receive the new price data no later than 30 days prior to the time when the adjusted price is applicable. The new price data will be applicable unless DALO or the Supplier objects within the 30 days period.

The price adjustment covers all prices in Appendix C.

In the event of errors in the adjusted prices, the prices shall be rectified.

If the prices have been too high, the Supplier shall reimburse any excess payments made by DALO.

If the prices have been too low, the Supplier is entitled to excess payments, if the error should have been known by DALO.

Price adjustment shall always take place in accordance with the agreed index, cf. Clause 1.2. Therefore, if the index is agreed as the index number of 1'st quarter 2018, this is the index quarter which shall be used to make the adjustment every year – this will also be the case if price adjustment takes place at a later date.

If the request for adjustment originates from the Supplier, the request shall be forwarded electronically to FMI-KTP-SC-AFTALE@MIL.DK. The request shall include the Agreement No. [460000xxxx], the indices used, the calculation and the resulting percentage change.

If the request originates from DALO, the request shall be forwarded electronically to [Insert point of contact]. The request shall include the Agreement No. [460000xxxx], the indices used, the calculation and the resulting percentage change.

### **1.2 Index and price adjustment formula**

Price adjustment for the prices in Appendix C shall take place in accordance with OECD.

Name/source: Prices and Purchasing Power Parties, Consumer and Producer price indices, Producer Prices, Producer prices.

Country: [Suppliers country if available, otherwise OECD Total.]

Subject: Economic Activities – Domestic Producer Prices – Manufacturing

Measure: Index, Quarterly

UNIT: Index 2015 = 100

The prices shall be based on the latest published index at the time of Commencement of the Agreement. The latest published index is [insert: fx 1'st Quarter 2022]

The price adjustment shall take place on the basis of the following formula:

$$P_1 = P_0 \times \left( \frac{I_1}{I_0} \right)$$

$P_1$  = The adjusted price

$P_0$  = The price to be adjusted

$I_1$  = Index value at the agreed adjustment time

$I_0$  = Index value at the time of Commencement of the Agreement and thereafter the index value of the latest price adjustment