

General Terms and Conditions of Sale and Delivery for Engskov Maskinfabrik A/S – latest revised October 2013

1. General

1.1. The Seller, as mentioned in the following, refers to Engskov Maskinfabrik A/S. The Buyer, as mentioned in the following, is the Buyer of goods, a product or services (hereinafter Goods or Item) from the Seller including deliveries, if any, from sub-suppliers to the Supplier.

1.2. These general conditions of sales and delivery apply for all deliveries and similar unless otherwise is agreed upon in writing.

2. Delivery

2.1. Unless other terms are agreed upon and confirmed in writing by Engskov Maskinfabrik A/S, delivery is Ex Works. Goods are available to the Buyer's expense and risk from the moment the Seller has placed the Goods at the Buyer's disposal.

2.2. If the Buyer is not able to receive the Goods on the time agreed upon, the Seller will ensure that the Goods are stored solely on the Buyer's expense and risk.

3. Delay

3.1. If the delivery is delayed due to force majeure or the Buyer's acting or omission, the time of delivery is postponed to the extend, which appears reasonable. The time of delivery can be extended even if the cause of delay occurs after the expiration of the time of delivery, which was originally agreed.

4. Customer specific materials

4.1. In regards to agreements including the purchasing of items which require specific materials specified by the customer, and which cannot be used for other manufacturing, the Buyer is obliged to buy the stock of Items as well as the remaining stock of materials within the agreed period or in case of the manufacturing of the Item ends.

5. Quotation

5.1. Quotations apply 30 days after dispatch, and the prices are stated with reservations of changes in prices from sub-suppliers and in changes of price of the materials. Acceptance of quotations must be performed in writing.

6. Price and payment

6.1. All prices are stated in Danish kr. (DKK) excluding value added tax and other public charges unless otherwise stated. Environmental charges are 1% of the amount invoiced.

6.2. Prices are adjusted once a year, and by any significant changes of material costs.

6.3. The terms of payment are net cash unless otherwise is agreed by writing and a possible granting of credit is subject to the Seller's approval. If payment is delayed, an interest of 2% for each month starting from due date is charged.

6.4. At change of Items, which concerns on-going manufacturing as well as on-going manufacturing/purchase of tools, the Seller has the right to invoice the additional consumption of materials and man hours according to standard rates.

7. Property

7.1. The proprietary right of the delivery remains with the Seller until payment including charge of accrued interest and costs has been paid.

8. Liability of deficiencies

8.1. The Seller is eligible and obliged to remedy deficiencies, which are due to material defect or manufacturing, either by carrying out repair or by replacement. Claim of deficiencies does not entitle the Buyer to a reduction in price nor to cancel the agreement.

8.2. The Seller's liability only covers deficiencies, which can be established no later than one year from the day when the Item has been made available to the Buyer's disposal.

8.3. The Seller's liability does not cover deficiencies and faults caused by material, which has been provided by the Buyer or by constructions, which have been required or specified by the Buyer.

8.4. The Seller's liability only covers deficiencies, which might occur during use of the Item according to the agreement, and the liability does not cover deficiencies which occur after the risk has been passed on to the Buyer.

8.5. The Buyer is obliged to examine the delivery as soon as possible and no later than 8 days after delivery.

8.6. The Buyer must inform the Seller in writing about a deficiency without undue delay after the deficiency has been identified, or should have been identified and under no circumstances any later than 2 weeks after the deadline has expired as stated in clause 8.2.

8.7. If the Buyer does not inform the Supplier in writing about a deficiency within the stated deadlines, the Buyer loses all rights to erect a claim on the account of the deficiency.

8.8. If the Seller accepts his obligation to repair, the Buyer must return the defective Item to the Seller on the Buyer's expense and risk.

8.9. Defect parts, which are changed, are at the Seller's disposal and remains the Seller's property.

8.10. The Seller is not responsible for deficiencies beyond the deficiencies described in clause 8.1.-8.9. This applies for any loss, which the deficiency might cause, hereunder consequential loss, lost earnings and costs.

9. Product liability

9.1. In regards of product liability the valid rules in force of the Danish law always apply.

9.2. In regards of damage of property, the Seller is not responsible for any damage, which has been caused by the Item on any real estate, or personal property, occurring when the Item is in the possession of the Buyer. Furthermore, the Seller is not responsible for damage on products, which have been manufactured by the Buyer or products in which these are included.

9.3. The Seller is not responsible for any indirect damage and/or losses, such as consequential loss, lost earnings, or any other indirect loss or expenses.

9.4. If product liability to any Third Parties is placed upon the Seller, the Buyer is obligated to be hold indemnified to the extend which the Seller's responsibility is limited in compliance with the present sales- and delivery terms.

9.5. The above-mentioned limitations do not apply if the Seller or other, to whom the Seller is responsible, has been guilty of gross negligence.

9.6. If a Third Party addresses their demands of product liability to one of the Parties involved, this Party must immediately inform the other Party about this in writing.

9.7. The Parties are mutually obliged to be taken to the court of justice or the court of arbitration, who handles claim of damages, which has been made against one of the parties and is based on damage or loss, and is claimed to have been caused by the Item. The interrelationship between the Parties in this agreement has to be settled according to clause 11 mentioned below and in accordance with Danish law.

10. Limitation of liability

10.1. Any potential claims for damages addressed to the Seller cannot exceed the invoiced amount of money of the sold Item, or the complete delivery.

10.2. The Seller is not responsible for any consequential loss, loss of raw material, lost earnings, loss of profits, consequential damage, or any other indirect losses and/or expenses, which occur due to either delays or deficiencies.

10.3. The following circumstances cause freedom from responsibility, if the fulfilment of the agreement is prevented, or causes a fulfilment unreasonable burdensome: Industrial actions and/or any other circumstances, which are beyond the control of the Parties, such as fire, war, mobilisation or conscriptions of similar extend, requisitions, commandeering, currency restrictions, insurrection, riots, lack of means of transportation, common scarcity of goods, restrictions of motive power and lack of delivery or delay of delivery from sub-suppliers, which is due to some of the circumstances mentioned in this clause. The circumstances mentioned above do only cause freedom from responsibility if their influence on the fulfilment of the agreement could not be predicted, when the agreement was signed.

10.4. It rests with the Party, who wishes to plead any breaches of freedom from responsibility, to instantaneously inform the other Party in writing of the origin and ending to the freedom of responsibility.

10.5. In case of force majeure at the Buyer, the Buyer must cover the expenses, in which the Seller incurs in order to secure and protect the delivery.

10.6. Regardless of what might otherwise follow these General Terms and Conditions of Sale and Delivery each Party can cancel the agreement in a written statement to the other Party, as long as the fulfillment of the agreement is prevented more than 6 months, due to circumstances included in this clause.

11. Disputes

11.1. Any dispute arising on account of the agreement made between the parties must be settled in accordance to Danish law, and by the Court in Roskilde, Denmark, as the proper venue.