

General Terms and Conditions for the supply of spare parts, components and accessory equipment and for supply of repairs and services provided by AABO-IDEAL A/S

APPLICATION

- 1.1. These General Terms and Conditions applies to any supply of spare parts, components and accessory equipment, and for supply of repairs and services provided by AABO-IDEAL A/S (hereinafter referred to as AA-I) to the extent nothing to the contrary is agreed in writing between the parties.
- 1.2. Any general terms and conditions of the other party (hereinafter referred to as "the Buyer"), shall not be applicable.

2. OFFER AND ORDER CONFIRMATION

- 2.1 Offers made by AA-I are open for 14 days, unless otherwise specifically agreed and confirmed in writing by AA-I.
- 2.2 AA-I shall only be bound in accordance with the content of the order confirmation.

3. PRICES AND TERMS

- 3.1 All sales shall be subject to current prices in DKK, as per the date of delivery. All prices shall be exclusive of VAT, taxes of all kinds, packaging, transport etc. Prices in price lists shall be non-binding and may be changed at any time without notice. AA-I is entitled to increase the agreed prices on outstanding deliveries equivalent to price increases made by AA-I's subcontractors.
- 3.2 Repair and services shall be invoiced as per time spend, plus other expenses such as expenses for transport and accommodation in connection with the service which shall be paid by the Buyer.
- 3.3 Payment shall be made in cash no later than delivery date/date of completion, unless otherwise specifically agreed. If payment is not made when due, AA-I is entitled to terminate the sale or charge default interest at 2 % per month. Furthermore, in such situations AA-I is entitled to immediately, and without any further notice, terminate any other agreement regarding sale of goods if the goods have not been delivered to the Buyer.

4. AA-I's PERFORMANCE

- 4.1 AA-I's performance consists solely of the goods and services specified in the order confirmation. AA-I is obligated to deliver the goods in customary good quality in regard to materials and manufacturing.

5. DELIVERY TIME AND PLACE FOR DELIVERIES FROM AA-I

- 5.1 All stated delivery dates shall be approximate and non-binding, unless otherwise expressly agreed and confirmed by AA-I in writing.
- 5.2 If the Buyer fails to collect or take delivery of the goods, at the delivery time, AA-I shall be entitled to immediately and without further notice, terminate the sale or to enter an agreement with a third party for storage of the goods at the Buyer's risk and expense.

5.3 Spare parts and components

Delivery: All deliveries are "EXW" – AA-I Faaborg, Denmark (INCOTERMS 2010). The risk of the purchased good shall pass to the Buyer upon delivery. Where the Buyer is obligated to collect the goods and AA-I keeps the goods prepared, the risk passes to the Buyer at this point of time.

If the parties agree on a place of delivery other than AA-I's place of business, the transport including any loading shall be at the expense and risk of the Buyer.

Retention of title: the title shall belong to AA-I until the purchase price, including all costs connected to the purchase, has been paid in full by the Buyer.

No refunds: Orders are non-cancellable. Except as set forth herein, AA-I will not refund payments for any reason. In case AA-I makes an exception and accepts a refund, AA-I will refund payments received by AA-I to Buyer, less an administration fee, and Buyer will have no further recourse against AA-I.

6. REPAIR WORK

6.1 Scope of repair

AA-I shall perform repair work in accordance with any agreement between AA-I and the Buyer concerning repair-work to be performed by AA-I. Unless otherwise agreed upon in writing between the parties, the scope of the repair work shall consist of the following:

- Troubleshooting
- Remediating of the defect
- Provision and replacement of spare parts
- Functional check
- Assistance at testing

6.2 Preparatory work and technical documentation

Where the repair work is to be carried out at the premises of the Buyer, the Buyer shall ensure that AA-I's personnel is able to start work in accordance with the agreed time schedule and to work during normal working hours.

The Buyer shall provide the technical documentation (e.g. up to date drawings, descriptions, charts, instructions and the operation and maintenance log) in his possession, which is necessary for carrying out the agreed repair work.

The Buyer shall ensure that the equipment has been emptied to the extent necessary for AA-I to perform the repair-work and ensure that the equipment is clean and ready to operate.

6.3 Working conditions – repair

The Buyer has a duty to secure proper and suited working conditions for AA-I's employees, including but not limited to:

- a) informing AA-I in writing of all relevant safety regulations in force at the site. The erection shall not be carried out in unhealthy or dangerous surroundings. All the necessary safety and precautionary measures shall have been taken before erection is started and shall be maintained.

- b) availability of all necessary cranes, lifting equipment and equipment for transport on the site, auxiliary tools, machinery, materials and supplies.
- c) availability of necessary storage facilities, providing protection against theft and deterioration of the product to be repaired, the tools and equipment required for erection, and the personal effects of AA-I's personnel.

7. SERVICE WORK

7.1 Scope of service

The agreement: AA-I is obligated to perform preventive and corrective service of the Buyers equipment to the extent specified in any express agreement between the parties, e.g., an order confirmation/acknowledgement or similar (hereinafter referred to as "the Service Agreement"). The Service Agreement only covers the specific parts of the Buyers equipment, which is expressly mentioned in the Service Agreement.

Scope of service: Scope of service includes preventive as well as corrective service.

AA-I's primary obligation is to perform preventive service, which includes the following:

- checking the condition of the equipment
- functional check
- minor adjustments
- necessary lubrication
- service rapport, where AA-I is reporting eventual defects and suggested repair work.

Corrective service shall be undertaken in order to remedy any functional defects, which are discovered during performance of Preventive service. Unless otherwise agreed the corrective service shall include:

- troubleshooting
- remedying of the defect
- ordering of spare parts
- functional check

Unless specifically agreed by the parties, AA-I will order the necessary spare parts, and the Buyer must perform the replacement.

7.2 The Parties' obligations – services

AA-I's obligations: Unless otherwise agreed upon in writing between the parties, AA-I is obligated to:

- perform preventive and corrective service for a specified number of hours per visit, cf. Clause 7.1,
- to make sure that the service is performed by educated engineers/technicians,
- writing a report on the condition of the equipment and possible proposals for replacement of parts.

The Buyers obligations: Unless otherwise agreed upon in writing between the parties, the Buyer is obligated to:

- perform the necessary care of the equipment in accordance with the service manual. This includes ordering and replacement of relevant wearing parts in accordance with the service manual.
- ensure that the equipment is ready to operate, and the equipment is clean and free of dirt,
- keep a log of the operation and care of the equipment.
- ensure that the service is not carried out under dangerous or unhealthy conditions and shall take all necessary measures to protect AA-I'S personnel from

exposure to any safety or health hazard.

- inform AA-I of any safety regulations in force at the place where the maintenance is carried out.
- provide the technical documentation (e.g. up to date drawings, descriptions, charts and instructions), which is necessary for carrying out the agreed maintenance.
- without undue delay inform AA-I of any alterations concerning the equipment or its operation or other measures taken by the Buyer, which may affect AA- I's obligations under the Service Agreement. If such alterations or measures seriously affect AA-I's obligations, AA-I may, with immediate effect, terminate the contract and also be entitled to compensation.
- ensure that the equipment has been emptied to the extent necessary for AA-I to perform the service.

7.3 Preconditions for service visits

In addition to the obligations in Clause 7.2, the Buyer must make sure that the following preconditions are met before and during any service visit:

- The equipment must be available at the specified time.
- The equipment must be able to run for at least six (6) hours.
- Stops must be permitted during visits.
- The Buyer must place at least one internal technician / service manager at the disposal of AA-I during visits. If the preconditions are not met, the Buyer shall nevertheless pay for the visit and reimburse AA-I for any additional costs.

8. DELAY

8.1 When determining that there is a delay, the Buyer shall immediately give notice. If the Buyer fails to do so, the Buyer shall lose all claims arising from the delay. The Buyer shall simultaneously grant AA-I a reasonable period of at least 1 month to fulfil his obligations.

8.2 If AA-I fails to deliver the goods within the additional period, given by the Buyer pursuant to Clause 8.1, the Buyer shall be entitled to terminate the agreement by giving AA-I written notice. If the delay concerns a part of a total delivery, the Buyer shall only be entitled to terminate the agreement in respect of that part. AA-I had begun repair or service, the Buyer shall pay for the work carried out by AA-I prior to the termination pursuant to Clause 3.

8.3 If the Buyer terminates the agreement pursuant to Clause 8.2, the Buyer shall be entitled to compensation from AA-I for reasonable extra costs corresponding to the price difference when rebuying from a third party to reasonable market price. The compensation shall not exceed the invoice value of the delayed delivery plus 10 %.

8.4 The Buyer is not entitled to any damages or compensation due to AA-I's delay aside from the stated above in Clause 8.3.

9. DUTY OF INSPECTION AND NOTIFICATION OF DEFECTS

9.1 The Buyer shall inspect the goods thoroughly immediately upon delivery, to ensure that the goods are in conformity with the contract and are free from any defects.

9.2 The Buyer shall notify AA-I in writing immediately, and no later than 8 days after delivery, of any claims regarding defects, which the Buyer has identified or ought to have identified during the inspection pursuant to Clause 9.1.

For other defects, the Buyer shall notify AA-I immediately after the Buyer has or ought to have discovered the defect.

- 9.3. If the Buyer fails to give notice in accordance with Clause 9.2, the Buyer shall be precluded from making any claim against AA-I concerning the defect.
- 9.4. If the Buyer has not notified AA-I in writing of any complaints within 12 months after the delivery, the Buyer is in any event precluded from demanding any claim regarding defects, damages and possible warranties or other remedies.

10. DEFECTS

- 10.1. If the Buyer has given timely notice in regard to defects pursuant to Clause 9.2, AA-I shall be entitled to remedy or replace the goods or to grant the Buyer a proportionate reduction in the purchase price. If AA-I chooses to remedy the defect, the Buyer shall be obligated to make the product, and in the event of service, the Buyer's equipment, available to AA-I at the time specified by AA-I, if AA-I has provided the Buyer with at least a 7 days' notice of the date. If the Buyer fails to make the product or in the event of service, the Buyer's equipment, available to AA-I at the specified time, the Buyer shall lose any remedy relating to the defect.
- 10.2. The Buyer shall only be entitled to allow a third party to remedy or to terminate the purchase with regard to the defective part of the delivery, if AA-I has not remedied, replaced in so far as spare parts or components or granted a proportionate reduction in the purchase price within a reasonable time after the Buyer's complaint.
- 10.3. The Buyer shall not be entitled to claim other remedies beyond those stated in Clause 10.2.
- 10.4. The Buyer shall only be entitled to compensation from AA-I, if the Buyer allows a third party to remedy or terminates the contract in accordance with Clause 10.2. The Buyer shall only be entitled to compensation for the reasonable costs relating to third party's remedy or for reasonable extra costs imposed on the Buyer in connection with rebuying from a third party. The compensation shall not exceed the invoice value of the defective part of the delivery plus 10 %.
- 10.5. The Buyer is not entitled to any damages or compensation due to defects aside from those pursuant to Clause 10.4.
- 10.6. If the defect has been remedied by a third party in violation of Clause 10.2, the Buyer shall not be entitled to compensation of the costs from AA-I.
- 11. LIMITATION OF LIABILITY AND THIRD-PARTY LIABILITY**
- 11.1. AA-I is only liable for defects in AA-I's deliveries, if the Buyer has used these in a proper manner and in accordance with any instructions provided by AA-I. AA-I's liability is limited to defects in AA-I's own deliveries, but not for defects arising from AA-I's deliveries, in the form of spare parts or components being added into or to other's products. Changes or alterations of the goods delivered that is made without AA-I's written consent exempts AA-I from any liability.
- 11.2. AA-I is under no circumstances liable for operating loss, loss of time or profits or other indirect loss suffered by the Buyer, customers of the Buyer or other users of AA-I's deliveries. The Buyer is not entitled to claim damages to cover costs relating

to the dismantling or reassemble of the objects or installations in which the goods may be incorporated.

- 11.3. If AA-I is ordered to pay compensation to a third-party compensation due to the delivery, the Buyer shall be obligated to reimburse AA-I for such compensation that may exceed the invoice value of the delivery plus 10 %. If AA-I's liability concerns matters, from which AA-I has disclaimed liability, the Buyer shall be obligated to reimburse AA-I for the full compensation AA-I has been ordered to pay to a third party.
- 11.4. The risk of damages to the Buyer's equipment in connection with AA-I's repair or service work lies with the Buyer, irrespective of the Buyer's equipment being located outside the Buyer's property, unless the damage occurs as a direct result of AA-I's negligent behavior.

12. PRODUCT LIABILITY

- 12.1. In the relation between AA-I and the Buyer, AA-I disclaim all liability for commercial property damage that may be associated with AA-I's deliveries. If AA-I is met with claims in regard to commercial property damage from a third party, the Buyer shall be obligated to indemnify AA-I for any such claim and to cover AA-I's reasonable costs due to a defense against such claim.
- 12.2. AA-I shall not be liable for any operating, time, profit or other indirect loss suffered by the Buyer's customers or other users of the deliveries provided by AA-I.

13. SOFTWARE

- 13.1. When purchasing products that in whole or in part consist of software, the Buyer shall only achieve a non-exclusive right to use the software. Thus, the Buyer shall not obtain any ownership of the software. The Buyer's entitlement to use the software may not be transferred, and the Buyer shall not be entitled to provide copies of the software programs to third parties.

14. INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY

- 14.1. All intellectual property rights that may be associated with the delivered goods remain the property of AA-I.
- 14.2. All drawings, models and other technical documents related to the delivered goods, regardless of whether they were provided before or after entering the contract, remain the property of AA-I. The mentioned products may only be used for the use or resale of the goods unless AA-I gives consent.
- 14.3. The Buyer is not entitled to disclose any technical or commercial information, which by nature or by AA-I indication before or after signing of the contract are confidential, to third parties without AA-I's prior written consent.
- 14.4. *Penalty*
In the event of breach of Clause 14.2 or Clause 14.3, the breaching party shall be obliged to pay a penalty in the sum of DKK 400,000 to the other party. In addition, the breaching party shall have to pay full compensation in accordance with the ordinary principles of Danish law for any loss suffered by the other party from the breach of Clause 14.2 or Clause 14.3.

15. FORCE MAJEURE

- 15.1 AA-I shall be released from its obligations if and to the extent that AA-I's performance is prevented or made excessively onerous by an Event of Force Majeure as defined below in 15.2. However, no ground for relief under this clause shall exist if AA-I could have reasonably expected both the impediment and its effects upon its ability to perform at the time of the conclusion of the contract or could have reasonably avoided or overcome it or its effects.
- 15.2 Any event that is beyond AA-I's reasonable control shall be deemed to constitute an "Event of Force Majeure" regardless of whether such event occurs before or after the conclusion of this contract. An Event of Force Majeure shall include but shall not be limited to war, civil war, riots, acts of terrorism, sabotage or revolutions, government restrictions on import or export, allocations or restrictions upon the use of materials or manpower, natural disasters of any kind such as fire, flood, typhoons or earthquakes, national or local labor or industrial disputes (including strikes and lockouts), fire, power failure, computer virus, pandemic or epidemic outbreaks, restrictions from government or health authorities, breakdown in production facilities, and other circumstances not reasonably foreseeable by AA-I including force majeure events of AA-I's sub-contractors.

16. APPLICABLE LAW, JURISDICTION AND ARBITRATION

- 16.1 Any dispute or discrepancy arising out of us in connection with the sale, including disputes regarding the existence, interpretation and validity thereof, shall be settled in accordance with Danish law and by Danish Courts with the Court of Odense as the agreed jurisdiction both parties being entitled to appeal the adjudication.
- 16.2 If the Buyer is resident/domiciled outside of the EU, the dispute or discrepancy shall be settled by arbitration administered by The Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when such proceedings are commenced. The arbitration proceedings shall take place in Copenhagen, and the language of the proceedings shall be English. The dispute or discrepancy shall be settled in accordance with Danish law apart from Danish law's rules on choice of law and CISG.