

General Conditions of Sale and Delivery

Clause 1. Scope

1.1 These General Conditions of Sale and Delivery ("General Conditions") shall apply to all deliveries of goods and services ("Products") from AGRAMKOW Fluid Systems A/S ("AG") or its Group Companies (each of which is referred to as "AG") to any purchaser ("Purchaser"). (AG and the Purchaser hereinafter collectively referred to as the "Parties" and individually a "Party"). In the event that deviations from these General Conditions are expressly agreed upon in writing between the Parties, the remaining stipulations in these General Conditions shall continue to apply.

Clause 2. Confirmation of Order

2.1 AG shall not be deemed to have accepted an order until written confirmation of the order from AG is received by the Purchaser in question. Quotations, pro forma invoices and the like shall be subject to final confirmation in writing by AG. When AG has issued a final confirmation in writing in accordance with the aforementioned a contract ("Contract") shall be deemed to have been entered into between AG and the Purchaser incorporating these General Conditions even without these General Conditions being referred to or attached to such Contract.

Clause 3. Delivery – Time of Delivery – Delay

- 3.1 Products are delivered ex works (INCOTERMS 2010), exclusive of packaging, unless otherwise expressly agreed in writing between the Parties. When delivery has been effected, Products will not be credited if returned to AG without prior written agreement with AG.
- 3.2 If instead of a fixed date of delivery, the Parties have agreed on a period of time within which delivery shall take place, such period shall start to run as soon as the Contract is entered into and all agreed preconditions to be fulfilled by the Purchaser have been satisfied, such as official formalities, payments due at the formation of the Contract and securities.
- 3.3 If AG anticipates that it will not be able to deliver at the agreed delivery date, AG shall notify the Purchaser thereof in writing, stating: (i) the cause of delay and (ii) the time when delivery can be expected. Based on the information provided by AG under (i) and (ii) above, the Parties shall mutually agree on a final date for delivery of the Products in question.
- 3.4 If the Purchaser finds that he will be unable to accept the delivery at the agreed time or if delay on his part seems likely, he shall forthwith notify AG in writing thereof stating the reason for the delay and if possible, the time when he will be able to accept delivery. If the Purchaser finds that he will be unable to accept delivery at the agreed time, he shall nevertheless pay part of the purchase price which becomes due on delivery as if delivery had taken place. AG shall arrange for storage at the risk and expense of the Purchaser. AG shall also, if the Purchaser so requires, insure the Products at the Purchaser's expense.
- 3.5 If AG fails to deliver any Products purchased and sold hereunder at the agreed time and place and this is due to any reason for which AG is responsible hereunder, the Purchaser shall have the right to terminate the part of the Contract which is delayed provided that such delivery is delayed with more than 45 (forty-five) working days. The foregoing shall constitute the Purchaser's sole and exclusive remedies, and AG's sole and exclusive obligations, for any late delivery of Products.

Clause 4. Payment – Price

- 4.1 AG reserves the right to adjust accepted prices in the event of alterations in rates of exchange, variations in costs of materials, changes in wages, interference on the part of the government, or similar circumstances beyond AG's control.
- 4.2 Payment shall be effected by irrevocable confirmed letter of credit without recourse, opened with a bank mutually agreed upon in favour of AG immediately after receipt of confirmation of the order, in accordance with the International Rules for Documentary Credit. The letter of credit shall cover the invoiced amount, together with such expenses as AG defrays for the account of the Purchaser, such as freight, insurance, and fees, if any.
- 4.3 The letter of credit shall permit transshipment and part delivery. In the event of delayed opening of letter of credit, AG shall be entitled to (i) cancel the Contract, (ii) to keep it in force subject to an extension of the delivery time at AG's discretion and/or (iii) to claim damages.
- 4.4 Should special terms of payment, other than those indicated above, be necessary due to exceptional circumstances, the following must be observed:
 - a) The purchase price, together with value added tax, if any, for the Products delivered by AG must be paid on the payment date stated in the invoice. If no specific payment date is indicated on the invoice, the invoice becomes due 30 calendar days after the date of the invoice; and
 - b) where a payment is not received when due, interest at the rate of 1.5% on the due payment for each full month or part thereof will be payable. This rate of interest shall also apply in cases where an extension of the period of credit has been granted.

4.5 The Purchaser shall not be allowed to retain payments, or to settle debts by setting off any counterclaims disputed by AG, or to reduce the invoiced price.

Clause 5. Packaging

5.1 Packaging will be charged at cost price.

Clause 6. Risk - Insurance

- 6.1 From the moment of delivery the Purchaser shall bear all risks for the Products, and AG shall not be responsible for loss and damage incurred during transportation.
- 6.2 If the Purchaser so desires, AG will at the cost of and on behalf of the Purchaser effect "Marine Insurance on English all risk conditions from warehouse to warehouse" at the c.i.f or c.i.p value of the Products + 10%, and AG will likewise effect war risk insurance.

Clause 7. Transfer of Ownership

- 7.1 Until full payment of the Products has been received by AG, the Products shall remain the property of AG and shall not be pawned or pledged in any way.
- 7.2 Drawings, specifications, and the like which have been handed over by AG prior to or following the conclusion of the Contract, shall remain AG's property and may not without AG's prior written consent be passed on, copied or otherwise communicated to a third party. The Purchaser is further obliged to treat all material received from AG as confidential.

Clause 8. Product information

- 8.1 No liability for errors in or wrong interpretation of the information and technical data contained in catalogues, leaflets, and other printed material can be imposed upon AG.
- 8.2 Suggestions, advice and other services, other than those contained in our catalogues, leaflets, and other printed material shall be used by the Purchaser at his own risk.

Clause 9. Norms and Standards - product Modifications

- 9.1 All equipment is built according to European Norms and Standards if nothing else has been agreed upon in writing between the Parties.
- 9.2 Provided no agreed technical specification is changed, AG reserves the right to make alterations to its Products without notice, also to Products already placed on order.

Clause 10. Defects

- 10.1 AG shall, in accordance with the provisions of Clause 10.3-10.7 below, remedy any defect in the Product resulting from faulty design, materials or manufacture free of charge within a period of 12 months as from the date of dispatch from AG's factory ("Warranty Period"). AG agrees to repair or replace at its own discretion such Products that after evaluation or examination by AG is found to be defective due to faulty design, materials or manufacture.
- 10.2 AG's liability does not cover defects caused by circumstances, which arise after the risk has passed to the Purchaser. AG's liability does not, for example cover damages caused by unintended use, misuse, abuse, incorrect or improper storage, installation, maintenance or repairs by the Purchaser or by persons not under AG's supervision. Finally, the liability does not cover normal wear and tear or deterioration.
- 10.3 After AG's receipt of a written notice from the Purchaser in accordance with Clause 11, AG shall at its own discretion decide whether remedial work shall be carried out at the Purchaser's premises or whether the Purchaser shall send the defective parts of the Product or the Product to AG for repair or replacement at AG's premises. If AG decides that the defective parts of the Product or the Product shall be sent to AG, the expenses in connection with dismantling and mounting the defective parts of the Product or the Product shall be borne by the Purchaser. Insurance and freight must be paid by the Purchaser until it has been proven that the parts of the Product or the Product are defective. A description of the reason for returning the parts of the Product or the Product shall be prepared and enclosed by the Purchaser. Products or parts of products returned shall be free of extraneous equipment.
- 10.4 Defective Products or parts of Products that has been repaired will be returned to the Purchaser, freight paid by AG and insurance, as per clause 6.2, to be paid and arranged by AG. For countries outside Europe, AG reserves the right to return the Product or defective parts of a Product by ship and will pay the freight to the port considered by AG to be the most convenient for the Purchaser. The freight over land from the port to the Purchaser shall be paid by the Purchaser. Defective Products or parts of Products, which have been replaced by AG, shall be at AG's disposal and shall become the property of AG.
- 10.5 For such parts of Products, which have been replaced or repaired pursuant to Clause 10.1, AG shall have the same liability for defects as for the original parts for a period of one year. For other parts of the Product, the warranty period mentioned in Clause 10.1 shall only be extended by the amount of time during which the Product could not be used due to a defect for which AG is liable.
- 10.6 Where successful remedial work has been carried out by the Purchaser or a third party upon prior written approval from AG, reimbursement of the re-

- sonable and direct costs incurred by the Purchaser shall be in full settlement of AG's liability for said defects.
- 10.7 If AG fails to fulfil its obligation set forth in the Clause 10.3, the Purchaser may by written notice require AG to do so within a final time. If AG fails to fulfil its obligation within that time limit, the Purchaser may at his option:
- (a) have the necessary remedial work carried out by a third party at AG's expense, provided that the Purchaser proceeds in a reasonable manner; or
 - (b) demand a reduction of the agreed purchase price in proportion to the reduced value of the Product, provided that under no circumstances shall such reduction exceed 15 % of the purchase price; or
 - (c) where the defect is so substantial that it significantly deprives the Purchaser of the benefit of the Product, the Purchaser may terminate the Contract by notice in writing. The Purchaser is then entitled to a compensation of the direct loss suffered up to a maximum of 15 % of the agreed purchase price.

Clause 11. Notification of Claims

- 11.1 The Purchaser shall notify AG of any defect and/or late delivery of the Products without delay. Should the Purchaser not notify AG of the defects and/or late delivery without undue delay, the Purchaser shall forfeit his right to raise a claim for remedies pursuant to Clause 3 and 10.
- 11.2 In the event that the Purchaser has made such notification as mentioned under Clause 11.1 and it turns out that no defect can be found for which AG is liable, AG shall be entitled to compensation for the work and costs incurred due to the notification.

Clause 12. Limitation of Liability

- 12.1 Notwithstanding any other provisions of these General Conditions, AG's total aggregate liability arising out of a delivery of a Product, shall, apart from (i) delivering a replacement Product or part thereof or (ii) repairing the defective Product or part thereof, not exceed 25% (twenty-five percent) of the price actually paid by the Purchaser for the Product (VAT, taxes and/or other duties excluded) which forms the basis of AG's liability.
- 12.2 AG shall in no event be liable for the Purchaser's or others loss of profit, loss of revenue, loss of production, loss of use, loss of goodwill, loss of time, loss of contract, loss of business or for any consequential loss or indirect losses in relation to the Contract, including indirect losses arising due to delays or defects in the Products sold.

Clause 13. Grounds for Relief (Force Majeure)

- 13.1 In the event that a Party's performance of any of its obligations under these General Conditions and/or a Contract becomes impossible or unreasonably onerous due to circumstances beyond its control which could not reasonably have been foreseen at the time of the conclusion of a Contract such as fire, flood, earthquake, explosion, strike, lockout, terror, war, riots, currency restrictions and regulations or interventions of an authority ("Force Majeure") that Party may suspend its performance of the affected obligation until such time as the Party concerned, after the discontinuance of such Force Majeure, is again able to perform its obligations under this Agreement.
- 13.2 A Party relying on clause 13.1 shall immediately notify the other Party thereof in writing, specifying the nature of the Force Majeure, the expected duration and submit all supporting evidence thereof. The Party relying on Force Majeure shall notify the other Party immediately after the Force Majeure has ceased to exist.
- 13.3 Regardless of what might otherwise follow from these General Conditions, neither of the Parties shall be entitled to terminate a Contract by written notification to the other Party in the event that the Force Majeure exceeds a period of more than six (6) months.

Clause 14. Liability for Damage Caused by the Products (Product Liability)

- 14.1 The Purchaser shall indemnify and hold AG harmless to the extent that AG is held liable towards a third party for any damage or loss for which AG is not liable to the Purchaser pursuant to Clause 13.2.
- 14.2 AG shall not be liable for any damage to property caused by the Products after completion and whilst in the possession of the Purchaser. Nor shall AG be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's products form a part.
- 14.3 The limitations of AG's liability as set out in Clause 13.2 shall not apply where AG is guilty of gross negligence.
- 14.4 In the event that a third party raises a claim for damages against one of the Parties pursuant to this Clause, the said Party shall notify the other Party without undue delay.
- 14.5 AG and the Purchaser shall be mutually obliged to let themselves be summoned before the court or arbitration tribunal that is dealing with the claim for damages raised against one of them due to damage or losses allegedly caused by the Products. Matters as between the Purchaser and AG shall, however, always be settled by arbitration or the Maritime and Commercial Court in Copenhagen pursuant to Clause 15.

Clause 15. Disputes

- 15.1 Any dispute or difference between the Parties arising out of or in connection with the Contract shall be decided according to Danish law.
- 15.2 Any dispute or difference between the Parties arising out of the Contract shall be settled by the Danish Institute of Arbitration in Copenhagen. The award shall have final and binding effect on the Parties.
- 15.3 Notwithstanding the stipulation in Article 15.2, AG shall be entitled to demand that any dispute or difference shall be brought before the ordinary Danish courts in which case the competent court shall be the Maritime and Commercial Court in Copenhagen.

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