

General Terms and Conditions of Sale and Delivery

1. Scope and validity

The following General Terms and Conditions of Sale and Delivery shall apply to all deliveries unless otherwise agreed in writing between Sønderborg Værktøjsfabrik A/S (hereinafter called "SV") and the Purchaser. Any deviation from the terms and conditions which may be specified in the Purchaser's order etc. shall be regarded as invalid unless accepted in writing by SV.

2. Offer and order confirmation

SV's offer shall be valid for 30 days from the date of the offer unless a shorter period is specified.

An order shall not be binding on SV until SV's order confirmation has been received by the Purchaser. In the event that the Purchaser objects to the contents of the order confirmation, such objections shall be made in writing and reach SV within 7 (seven) days of the order confirmation date.

The Purchaser is not entitled to cancel or alter an order placed unless accepted in writing by SV in exceptional cases. In case of acceptance of any such cancellation or alteration, the Purchaser shall reimburse SV for any additional costs and losses resulting from the cancellation, subject to a minimum amount of 10% of the agreed purchase price exclusive of VAT. In all other cases, i.e. where SV has not accepted cancellation or alteration in writing, the Purchaser is obliged to place SV in the position SV would have occupied if the order had been properly performed, and the Purchaser is therefore obliged to pay to SV the agreed purchase price less any costs saved by SV.

3. Prices and terms of payment

The purchase price specified in SV's offer does not include taxes, duties, dispatch, installation or any other type of fees, charges or expenses unless accepted in writing by SV. In addition to the purchase price, the Purchaser accepts to reimburse SV for any public taxes, duties and/or other fees and charges which are payable by the Purchaser in connection with the sale and transport of the purchased goods. Offers are subject to SV's order confirmation and credit approval of the Purchaser.

SV's terms of payment are 8 (eight) days from the invoice date unless otherwise agreed.

If the Purchaser fails to pay by the due date and if the default is not caused by circumstances for which SV is responsible, SV is entitled to charge default interest at the rate of 2% per commenced month and to demand immediate payment for all goods invoiced and delivered, regardless of any credit terms previously agreed.

4. Delivery

The time of delivery shall be determined individually, either in SV's offer or in SV's order confirmation.

Unless otherwise specified in writing by SV, the goods shall be delivered ex works Sønderborg, Denmark.

The Purchaser acknowledges and accepts that the Purchaser shall at all times have sole liability for any loss of or damage to the goods after the goods have been handed over to the carrier for dispatch. The price specified in the order confirmation is exclusive of freight, dispatch, insurance, packaging, installation, VAT and, if applicable, central government taxes and duties, which are payable by the Purchaser.

5. Delay

If SV fails to deliver the goods on or before the agreed delivery date, the Purchaser is entitled to demand in writing that the goods be delivered and to determine a final, reasonable deadline for such delivery. If delivery is not performed within this deadline, the Purchaser is entitled to cancel the purchase and to claim compensation for any proven, direct loss it has suffered. The Purchaser is in no other circumstances entitled to raise any claims against SV as a result of the delay.

6. Retention of title

Title to all sold goods shall be retained by SV until the purchase price has been paid in full with addition of interest and costs as well as any expenses relating to the goods which SV has paid on behalf of the Purchaser.

Until title to the goods has passed to the Purchaser, the Purchaser shall insure the goods and store them separately. The Purchaser undertakes not to move, pledge, lease, lend or otherwise dispose of the sold goods until title to the goods has passed to the Purchaser. Nor is the Purchaser entitled to make any alterations to the goods delivered.

7. Defects

For a period of 24 consecutive months after the goods have been delivered, SV undertakes without undue delay to perform a replacement delivery or repairs at its own option in the event of any construction, material or manufacturing defects in the goods delivered.

The duty to take remedial action shall not apply where defects are caused by failure to install the goods delivered and/or use the goods in full compliance with SV's instructions or by incorrect or inappropriate use, by alterations or technical interference undertaken without the written consent of SV or by extraordinary climate changes.

Wearing parts shall not be covered by the right of remedy. The cost of installation and dismantling shall not be covered by the right of remedy.

If the Purchaser wants to complain about any defects, a written complaint shall be submitted without undue delay after the defect has been discovered.

On the receipt by SV of a complaint about a defect which is deemed to fall within the scope of this provision, SV is obliged to remedy the defect without undue delay.

If the Purchaser is able to remedy the defect on the Purchaser's own premises, SV shall meet its obligation to remedy the defect under this provision by forwarding a new or repaired part.

If defective consignments or parts are returned to SV with a view to a replacement delivery or repairs, the Purchaser shall pay the transport costs and bear the risk during transport unless otherwise agreed.

In the event that consignments or parts are forwarded to the Purchaser in the form of a re-placement delivery or as repaired parts, the transport involved shall be at the expense and risk of the Purchaser.

Any defective parts which have been replaced in compliance with the provisions set out above shall be made available to SV.

SV undertakes to grant a right of remedy in relation to parts of the consignment which have been replaced or repaired and on the same terms and conditions and those applying to the original consignment. SV's obligation to remedy defects, however, shall not apply to any part of the consignment beyond a period of 36 months after delivery to the Purchaser.

8. A Limitation of liability

SV shall not be liable for any defects caused by errors or omissions on the part of SV's suppliers or otherwise caused by circumstances in relation to suppliers. To the extent that SV has a justified claim against a supplier, SV shall assign such a claim to the Purchaser, and the Purchaser is obliged to direct its claim directly against the supplier.

The total amount of compensation and damages and/or the proportionate reduction in the purchase price which may be claimed from SV cannot exceed the Purchaser's total payment for the goods.

8. B Liability for damage caused by the goods delivered (product liability)

The Purchaser shall indemnify SV to the extent that SV is imposed third-party liability for any damage or loss for which SV is not liable to the Purchaser in compliance with the two following paragraphs of this clause.

SV shall not be liable for damage caused by the goods delivered:

- a) to real or personal property when such damage occurs while the goods delivered are in the Purchaser's possession;
- b) to products manufactured by the Purchaser or to products of which they form part, or for damage to real or personal property caused by such products as a result of the goods delivered.

In no case shall SV be liable for business interruption loss, loss of earnings or any other financial consequential loss.

The above limitations on SV's liability shall not apply if SV is guilty of gross negligence.

If any third party files a claim against one of the parties for liability to pay damages in compliance with this clause, the party concerned shall immediately inform the other party thereof.

SV and the Purchaser shall have a mutual obligation to allow themselves to be sued before the court of law or arbitration tribunal that hears claims for damages set up against either of them on the basis of any damage or loss claimed to be caused by the goods delivered. Any dispute or disagreement arising between the Purchaser and SV, however, shall at all times be referred to the ordinary courts of law, see clause 12 below.

9. Complaint/limitation

The Purchaser is obliged to examine the goods on delivery and to make a complaint immediately if defects are discovered. Any failure by the Purchaser to comply with this complaint procedure shall preclude the Purchaser from exercising its rights. In the event of a hidden defect, however, a complaint shall be submitted within 2 (two) years.

10. Exemption from liability – force majeure

The following circumstances shall result in exemption from liability when they occur after the conclusion of the agreement and prevent its performance:

Industrial disputes, strikes, lockout and any other circumstances beyond the control of the parties such as fire, war, unforeseen military call-up of a comparable scope, acts of sabotage, seizure, currency restrictions, insurrection and civil commotion, shortage of means of transport, general shortage of goods, restrictions in the use of power, epidemics and defects in supplies from sub-suppliers or delays in such supplies which are due to any of the circumstances mentioned in this clause.

The party intending to rely on any of the said circumstances shall notify the other party in writing of the occurrence and cessation of the force majeure event without undue delay.

Either party is entitled, by written notice to the other party, to terminate the agreement with immediate effect if, within a reasonable period of time, its performance becomes impossible as a consequence of any of the above-mentioned circumstances.

11. Severability clause

In the event that one or more of the provisions of these General Terms and Conditions of Sale and Delivery prove to be invalid, illegal or unenforceable, this shall not affect or impair the validity, legality or enforceability of the other contractual provisions.

12. Venue

Any dispute arising between the parties shall be settled according to Danish law and shall be brought before the competent court of law in SV's venue.