



## GENERAL CONDITIONS FOR THE SUPPLY OF COMPONENTS, SYSTEMS AND SPARE PARTS - MAY 2015

- Application**
1. General conditions for the supply of components and spare parts given below are applicable when both parties have agreed them in writing or by other means, save for variations agreed in writing by both parties.
- Drawings and descriptions**
2. All information regarding weight, dimensions, capacity, price, technical and other data stated in catalogues, prospectuses, circulars, advertisements, illustrations and pricelists constitutes an approximate guide only. Such information is binding only to the extent expressly stated in the Contract.
3. Poul Tarp A/S will supply free of charge no later than at the delivery stated in Clause 10, all relevant information and Drawings, except the manufacturing Drawings. This information shall be sufficiently detailed to enable the Purchaser to install, start-up, operate, and maintain all parts of the supply (including running repairs). Ownership of such information and drawings to be transferred to the Purchaser. However, Poul Tarp A/S, may demand that the information provided under this Clause remains confidential.
- 3.1 For installation, service or any other work carried out on Poul Tarp A/S Hardware & Software by 3rd. Party, the purchaser is under the obligation only to use trained technical service personnel or pre-approved by Poul Tarp A/S.
- Substitution**
4. Poul Tarp A/S reserves the right to substitute any part whatsoever of the specified equipment with another part of equal quality and function as the part originally specified.
- Packing**
5. Unless otherwise stipulated, the prices stated in quotation and contracts include the cost of packing materials and other protection necessary to avoid damage to, or deterioration of, the contents until they have been delivered to their agreed destination under normal transport conditions.
- Performance Tests**
6. Unless otherwise agreed, contractual tests are carried out at Poul Tarp A/S property during normal working hours. If technical requirements for the tests are not otherwise specified in the Contract, they shall be carried out in accordance with normal practice at Poul Tarp A/S.
- 7.1 Poul Tarp A/S shall give sufficient notice of the tests to enable the Purchaser's representative to be present. If the Purchaser is not represented, Poul Tarp A/S shall submit the test report to the Purchaser who cannot dispute its accuracy.
- 7.2 Normal performance tests at Poul Tarp A/S mean to control all components manufactured by Poul Tarp A/S in accordance with appropriate, national codes and/or requirements from Classification Societies relevant to the supply.
8. If any part of the supply is found defective or not in accordance with the Contract, Poul Tarp A/S shall remedy the defect as soon as possible, or ensure that the supply complies with the Contract. At the Purchaser's request, a further test will then be carried out. But if the defect is minor, a new test cannot be demanded.
9. Unless otherwise agreed Poul Tarp A/S is responsible for all costs connected with performance tests carried out on Poul Tarp A/S's representative. For performance tests on site, all expenses are the responsibility of the Purchaser.
- Passing of risk and time of delivery**
10. With the exception of the reservation in Clause 12.1 and 12.2, the risk passes at the time of delivery ex works, in accordance with the International Rules for the Interpretation of Trade Terms (Incoterms) of the International Chamber of Commerce in force on the date of signing of the Contract.
11. The time of delivery to be calculated from the day Poul Tarp A/S has received all technical details necessary for the fulfilment of the Contract. Moreover, the time of delivery is subject to the observance of the terms of payment.
- 12.1 If the Purchaser finds that he cannot accept delivery on the agreed date, or that a delay on his part is likely, he should immediately notify Poul Tarp A/S in writing, giving the reason for the delay and, as far as possible, the new date on which delivery can take place.
- 12.2 If the Purchaser fails to accept delivery of completed parts of the Contract on the date agreed, he is liable for payment of storage expenses on presentation of storage receipts, as if delivery had been effected. Poul Tarp A/S shall arrange for the parts to be stored at the expense and risk of the Purchaser. Poul Tarp A/S shall also insure the consignment at the Purchaser's request and for his account.
- 13.1 Poul Tarp A/S shall be entitled to demand in writing that the Purchaser accepts delivery of the Contract within a reasonable period unless the Purchaser's omission to do so (Clauses 12.1 and 12.2), is due to circumstances arising out of Clause 29.
- 13.2 If the Purchaser, for whatsoever reason, does not accept delivery within a reasonable period, Poul Tarp A/S shall be entitled to cancel, in writing, that part of the Contract which has not been adhered to due to the Purchaser's omission. Furthermore, Poul Tarp A/S may demand compensation for any loss sustained by the Company due to the Purchaser's neglect. The compensation not to exceed the value of the undelivered part of the Contract in question.
- The licensed software**
14. Poul Tarp A/S hereby grants to Purchaser a non-exclusive, non-transferable license in perpetuity to the Licensed Software for use by Purchaser solely.
15. The Licensed Software and Documentation shall not be sublicensed, revealed, disclosed or otherwise communicated, directly or indirectly, by Purchaser to any person, company or institution whatsoever other than as set forth herein. It is understood that no title to or ownership of the Licensed Software, or any part therefore, is hereby transferred to Purchaser.
- Payment**
16. Unless otherwise agreed:
- For Poul Tarp A/S Systems:  
40% at the signing of the Contract/Order  
60% at time of delivery from Poul Tarp A/S or, if demanded by Poul Tarp A/S, by opening of an irrevocable letter of credit, at the time specified in the Contract, with a recognized bank, advised through and confirmed by a Danish bank and payable with the said Danish bank against shipping documents. All expenses in connection with the opening and handling of the letter of credit shall be paid by the Purchaser. 30 days net.
- For Sparepart, Components & Service:  
100% at delivery 14 days net. By orders less than DKK 500,- an administration fee of DKK 100,- can be invoiced.
- 17.1 The contract goods shall remain the property of Poul Tarp A/S until payment has been made in full, to the extent that such retention of ownership is valid according to existing law. Bills of exchange or instruments of debt shall not be considered payment until fully paid.
- 17.2 If the Purchaser does not pay within the time stipulated, Poul Tarp A/S is entitled to charge interest on overdue payments from the date of payment at the rate of 5% above the highest official bank rate in Denmark at the time in question.
- 17.3 If the Purchaser fails to pay the amount due within a period of three months for reasons other than those stated in Clause 29, Poul Tarp A/S is entitled to advise the Purchaser in writing that the Contract is cancelled and to demand compensation from the Purchaser for all losses suffered. The compensation cannot exceed the value of the unpaid part of the contract goods.
- Warranty**
18. Poul Tarp A/S undertakes, in accordance with Clauses 19 to 27, to correct all defects which are due to faulty design, manufacture or materials.



19. Poul Tarp A/S's liability only covers defects for a period of 12 (twelve) months from the date of delivery, and always provided that Poul Tarp A/S has been notified in writing of such defects immediately after Purchaser has become aware of them. For parts which have been substituted or replaced as per Clause 18 above, the liability is limited to a period of 12 (twelve) months from the date of delivery of the original supply but always a minimum of 3 (three) months on substituted or replaced parts from the date of delivery of these parts.
20. For components and spare parts delivered and ordered as replacements parts (i.e. parts delivered to Purchaser and for which similar parts are to be returned by Purchaser to Poul Tarp A/S), Poul Tarp A/S's liability only covers defects for a period of 3 (three) months from the date of delivery, and always provided that Poul Tarp A/S has been notified in writing of such defects immediately after Purchaser has become aware of them.
- 21.1 On notification in writing by the Purchaser concerning any defects covered by Clause 18, Poul Tarp A/S shall immediately make good the deficiency by placing or repairing the faulty parts on the same terms and conditions as valid for the original supply.
- 21.2 The handing over to the Purchaser of any parts properly repaired, or replacement by new parts, is to be considered fulfilment of Poul Tarp A/S's liability according to Clause 21.1 concerning defective components.
22. Any defective parts substituted in accordance with Clause 21.1 shall be placed at Poul Tarp A/S's disposal. Unless otherwise agreed, the transportation of such parts to Poul Tarp A/S is for the account and risk of the Purchaser.
23. If Poul Tarp A/S in spite of requests fails to fulfil any obligation covered by Clause 21 within a reasonable period, the Purchaser is entitled to effect such necessary repairs or to procure replacement parts for the account and risk of Poul Tarp A/S, provided this is done in a reasonable and sensible manner, or - if the defect is considered of essential importance to the Purchaser, and if Poul Tarp A/S realizes or should have realized this - to cancel that part of the Contract which is not operative due to Poul Tarp A/S's neglect.
24. Poul Tarp A/S's liability shall not comprise defects arising out of materials supplied by the Purchaser, or in designs stipulated by the Purchaser.
25. Poul Tarp A/S's liability covers defects only which appear when the components are operating under normal conditions and for purposes agreed in the Contract. Liability shall not cover defects due to faulty maintenance or incorrect installation on behalf of the Purchaser, any alterations made without the written consent of Poul Tarp A/S faulty repairs carried out by the Purchaser, or normal wear and tear.
26. When the risk for the contract goods has passed to the Purchaser, Poul Tarp A/S is no longer liable for any defects other than what is laid down in Clause 18 to 25 and Clause 27. This applies to any loss the defects may occasion, such as loss of profits, loss of earnings, and other indirect losses. This limitation of Poul Tarp A/S's liability is not valid if Poul Tarp A/S is guilty of gross negligence.
27. Notwithstanding the conditions laid down in Clause 18 to 27, Poul Tarp A/S's liabilities mentioned therein are not valid for any part of the contract goods beyond a period of 18 months from the commencement of the period mentioned in Clause 10.
- Product liability**
- 28.1 Poul Tarp A/S shall only be liable for personal injury if it is proved that the injury was caused by errors or negligence on the part of Poul Tarp A/S or others for whom Poul Tarp A/S is responsible.
- 28.2 Poul Tarp A/S shall not be liable for damage to property which occurs when the contract goods are in the possession of the Purchaser. Nor shall Poul Tarp A/S be liable for damage to products manufactured by the Purchaser, in which Poul Tarp A/S's products form a part. Apart from these limitations, Poul Tarp A/S shall be liable for damage to property on the same conditions as for personal injury.
- 28.3 Poul Tarp A/S shall in no circumstances be liable for loss of production, loss of profit or other consequential damage or indirect loss.
- 28.4 To the extent Poul Tarp A/S might incur product liability towards any third party, the Purchaser shall indemnify Poul Tarp A/S as far as Poul Tarp A/S's liability has been limited by the Clauses 28.1, 28.2 and 28.3.
- 28.5 If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter shall forthwith inform the other party thereof.
- Poul Tarp A/S and the Purchaser shall be obliged to let themselves be summoned to the court examining claims for damages lodged against one of them on the basis of damage allegedly caused by the contract goods. However, the contractual relationship between Poul Tarp A/S and the Purchaser shall always be settled by arbitration in accordance with Clause 34.
- 28.6 The above limitations in Poul Tarp A/S's liability shall not apply where Poul Tarp A/S has been guilty of intent or gross misconduct.
- Force majeure**
29. The following circumstances shall be considered relief from responsibility if they occur after the signing of the Contract, if they prevent its fulfilment. Labour disputes and any other circumstances beyond the control of the parties such as fire, war, mobilization or unforseen military conscription to a corresponding extent, requisitioning, seizure, currency restrictions, insurrection and disturbances, shortage of transport, general shortage of materials, rejection of major projects, restrictions in use of power, and defects in or delays in supplies from sub-contractors owing to any of the above mentioned circumstances.
30. The party wishing to claim relief by reason of any of the circumstances referred to in Clause 29 shall notify the other party in writing without delay both on the occurrence and on the cessation thereof.
31. Either party shall be entitled to give notice in writing to the other party of termination of the Contract when its fulfilment within a reasonable time becomes impossible owing to any of the circumstances mentioned in Clause 29. This provision shall not result in any limitation in what is stipulated in Clauses 13.1 and 13.2 and 17.1, 17.2 and 17.3.
- Limitation of damages**
32. If either party has to pay compensation to the other party, the compensation shall only cover such damage as the party responsible could reasonably have foreseen at the time of signing of the Contract, and indirect damage only in the circumstances mentioned in Clauses 26 and 28.1 and 28.2.
33. The party who invokes breach of the Contract shall be under an obligation to take all necessary steps to limit the loss which has occurred as far as possible without undue cost or inconvenience. If he fails to do so the other party may claim a reduction in the amount of compensation.
- Disputes**
34. Disputes arising out of the Contract and any supplement thereto as well as disputes concerning any legal matters referred to or arising out of the Contract shall be brought before the Danish Court and settled according to Danish law.