

GENERAL TERMS OF DELIVERY for FJERO A/S, Oddervej 20, DK-7800 Skive, Denmark

Application

1. The following general terms of delivery shall apply in all cases where Fjero A/S enters into agreement with another contracting party in writing or any other way concerning sales or services to another contracting party and submits a quotation concerning such agreement which is accepted and forms the basis of the agreement.
Any deviation from the present general terms requires written agreement between the parties.
Fjero A/S shall hereinafter be referred to as "the Seller" and the other contracting party as "the Buyer".

Product information

2. The content of information material, price lists, etc. concerning products shall only be binding if expressly referred to in the agreement.

Drawings, technical documents, other descriptions and own performances

3. All drawings, descriptions and other technical documents concerning the equipment or the manufacturing of such equipment submitted by one party to the other before or after the signing of the agreement shall be considered as the property of the party submitting such material. No drawing, description and other technical document or information received shall be used for purposes other than the ones intended with the submission without the consent of the party to whom such material belongs.
Copying, reproduction, handing over to or in any other way bringing the material mentioned to the attention of any third party without the prior consent of the party to whom such material belongs shall not be permitted. Any material lent or submitted to the Buyer not being taken into use in connection with the delivery or the use of such delivery shall be returned to the Seller.

4. Notwithstanding the above-mentioned, the Seller shall, free of charge, provide the Buyer with one or more of copies of drawings and other technical documents not later than the date of delivery. Such material shall be sufficiently detailed to enable the Buyer to perform installation, commissioning, operation and maintenance (including current repair) of all components of the equipment. The Seller shall, however, not be obliged to submit drawings and documents that constitute the basis of the production of the equipment or spare parts.

5. In the event of the Buyer submitting any projects, designs, drawings, descriptions, calculations, any type of documentation, etc. completely or partly which are or proves to be misleading, ambiguous or defective, the Seller shall not be held liable for any consequence hereof. The Buyer shall be obliged to pay all additional costs incurred by the Seller in connection with such delivery.

Notwithstanding whether the Seller agrees to perform reviews and tests or inspection of the above-mentioned project material supplied by the Buyer, the Seller shall not be held liable for any consequence caused hereby regardless of the circumstances.

6. The Seller shall not be liable for any equipment supplied by the Buyer completely or partly for use in connection with the Seller's performances. Neither shall the Seller be liable for any equipment, which the Buyer requests the Seller to use, if such equipment is defective, inappropriate or inapplicable. Furthermore, the conditions mentioned in section 5 shall apply.

Initial acceptance test

7. Any agreed initial acceptance test shall be performed at the place where the equipment is manufactured unless otherwise stipulated. Unless the agreement contains any technical test requirements, such test shall be performed in accordance with the practice within the industry concerned and within the country in which the equipment is manufactured.
8. The Seller shall be obliged to give the Buyer adequate notice concerning the performance of an initial acceptance test to enable the Buyer to attend such test. An initial acceptance test can be performed even though the Buyer is not represented, provided that he has received proper notice.
The Seller shall be obliged to keep a record of the initial acceptance test, and such record is to be sent to the Buyer. Unless proved otherwise by the Buyer, the description of the performance and result of the initial acceptance test recorded by the test record shall be considered correct.
9. If the initial acceptance test proves that the equipment is not in accordance with the requirements of the contract, the Seller shall be obliged to ensure that the equipment made is brought into accordance with the agreement as soon as possible. If requested by the Buyer, a new initial acceptance test shall subsequently be performed. A new initial acceptance test can however not be requested if any defect found proves to be insignificant.
10. Unless a different allocation is agreed, the Buyer shall be obliged to pay all costs and expenses in connection with the production of the initial acceptance test while the Seller shall be obliged to pay all costs in connection with the performance of the test at the place of production of the equipment. The Buyer shall, however, be obliged to pay all costs incurred by his representatives in connection with such initial acceptance tests including travel and accommodation expenses.

Prices

11. The Seller's prices are based on the prices of raw materials and other materials, purchased equipment, salaries, exchange rates, etc. in force at the time of the submission of the quotation plus freight costs, insurance and duties if the Seller is responsible for shipment.
Unless expressly indicated, the quoted price or the Seller's prices in general include no unspecified accessories and equipment or assembly and installation costs.
12. The Seller shall be entitled to adjust the prices mentioned in section 11 corresponding to any price increases of raw materials, labour, purchased equipment, transportation, changing rates of duty and other public taxes, exchange rates, etc.
13. The Seller's delivery shall only include performances, work, components, etc. expressly indicated in the quotation and any order confirmation issued.
14. The Seller reserves the right to replace the equipment supplied or parts hereof with another corresponding delivery of the same quality and with the same function as specified in the agreement.

15. All prices quoted are exclusive of value added tax.

Delivery

16. Unless otherwise agreed in writing, delivery shall be "ex works".

If the parties agree that the Seller makes all arrangements concerning transportation, and that the Seller pays all costs in connection with transportation, the Seller shall not accept the risk of the destruction of or damage to the equipment or any additional costs resulting from events occurring following shipment from the Seller's address.

The interpretation of delivery clauses shall be in accordance with the Incoterms in force at the time of the transaction.

Installation

17. If the Seller performs the installation of the equipment delivered, the Buyer shall be obliged to provide and pay any possible charges in connection with authority permissions, perform any necessary installation of services, arrangement, etc. to ensure that installation can be performed at any given time without problems. If requested by the Seller, the Buyer shall undertake to document that such conditions are in order prior to installation.
18. In the event of any delay or defects in connection with the Buyer's performance resulting in the Seller incurring any additional costs, the Buyer shall be obliged to pay such costs as per the Seller's account. The costs shall be paid immediately on demand.
19. The Buyer shall take out all necessary and normal insurance in connection with the installation, so that the Seller is insured in every respect against faulty installation, injuries and damage to property, including damage to any third party or the property of a third party.
The insurance taken out shall have adequate coverage to prevent any loss suffered by the Seller in connection with payment of damages.
Any excess in connection with insurance shall be payable by the Buyer.
20. Prior to installation, a special written agreement shall be prepared specifying both the Seller's and the Buyer's performances in detail, including time schedules and terms of payment for installation services.

21. Unless otherwise agreed in writing between the parties or indicated in the present general terms of delivery in that order, the general conditions for delivery and installation of machinery and other mechanical, electronic equipment – NLM 94 – or any general regulations in force at the time of delivery replacing NLM 94 shall apply.

Time of delivery. Delay.

22. Time of delivery is subject to agreement between the parties. If no such agreement has been made, the Seller shall perform the delivery when possible, in which case the Buyer shall not be entitled to claim any delay.
In the event of the parties indicating a period of time during which delivery can take place instead of a specific time of delivery, such period of time shall be considered to come into effect from the signing of the agreement.
23. A precondition for the agreed times of delivery is that the Seller in due time has received all information from the Buyer necessary for the fulfilment of the order.
24. If the Seller is unable to perform a timely delivery, or if the Buyer is able to document that the Seller is unable to perform a timely delivery, the Seller shall be obliged to inform the Buyer accordingly in writing without undue delay, indicating the cause of the delay and to the widest possible extent the time at

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which delivery is expected to take place.

- 25.** The Seller shall not be liable for delayed delivery or part delivery due to strike, lockout, restrictions, work accidents, transportation restrictions, fire, war, mobilisation or military conscription to a similar extent, currency restrictions, revolts and disturbances, lack of transportation, fuel restrictions and other circumstances beyond the control of the Seller, and under circumstances where delivery at the agreed time is evidently unreasonable due to circumstances beyond the influence of the Seller. Furthermore, the Seller shall not be liable for any delayed or defective materials and components ordered from suppliers if such delay is due to any of the circumstances mentioned above.
The time of delivery shall be extended for a period corresponding to the duration of the circumstances mentioned, even if the cause of the delay occurs after the expiry of the time of delivery originally agreed.
- 26.** If the Seller fails to give notice to the effect that timely delivery cannot be performed, cf. the above-mentioned section 24, the Seller shall be obliged to compensate the Buyer for any additional costs incurred as a result of lack of notification. The Seller shall, however, under no circumstances be held liable for any indirect loss, including operating loss.
Any liability accepted by the Seller shall be limited as mentioned in section 28.
- 27.** In the event of the Seller failing to deliver the equipment in due time, the Buyer shall be entitled to claim liquidated damages as of the date on which delivery should have taken place. Liquidated damages shall amount to 0.25% for every whole week of delay, calculated on the basis of the part of the agreed purchase sum covering the part of the equipment which cannot be taken into use as planned as a consequence of the delay.
The liquidated damages shall not exceed 5% of this basis of calculation.
Such liquidated damages shall be paid on demand in writing from the Buyer, however, not before the equipment is delivered in full or possibly in connection with the Buyer's cancellation of the agreement, cf. section 28 below. If the Buyer fails to make a written demand concerning liquidated damages within three months after delivery should have taken place his right to claim liquidated damages shall lapse.
- 28.** If the Buyer is entitled to maximum liquidated damages and the equipment is still not delivered, the Buyer shall be entitled to demand that delivery be made and fix a reasonable time limit through written notification to the Seller, however, not less than 14 days. In the event of the Seller still failing to deliver within such fixed time limit for reasons not due to circumstances for which the Buyer can be held liable, the Buyer shall be entitled to cancel the agreement concerning the part of the equipment which cannot be taken into use according to plans, by written notification to the Seller.
In the event of the Buyer thus choosing to cancel the agreement he shall be entitled to claim additional compensation for any loss suffered in connection with the Seller's delay if such loss exceeds the maximum liquidated damages to which the Buyer is entitled in accordance with section 27 of the present agreement. The total compensation inclusive of liquidated damages shall, however, not exceed 10% of the part of the purchase sum covering the part of the equipment for which the agreement is cancelled.
Furthermore, the Buyer shall be entitled to cancel the agreement through written notice to the Seller if the Buyer is able to substantiate that any delay will occur, which according to regulations will entitle the Buyer to maximum liquidated damages. In connection with any such cancellation, the Buyer shall also be entitled to compensation in addition to the liquidated damages. Such compensation shall be limited to 10% in accordance with the above-mentioned.
Apart from liquidated damages as mentioned above and cancellation with limited compensation in accordance with the above-mentioned, the Buyer shall not be entitled to make any claim in connection with the Seller's delay regardless of whether the Seller has acted with gross negligence. The Seller shall not be held liable for any indirect loss including loss of profits.
- 29.** If the Buyer is unable to receive the equipment on the agreed date, or if delay on his part must be considered likely, the Buyer shall be obliged to notify the Seller accordingly without undue delay and also indicate the cause of such delay and to the widest possible extent the time reception is expected to be possible.
Furthermore, if the Buyer fails to receive the equipment on the agreed date, he shall be obliged to make any payment conditional on delivery as if delivery of the equipment concerned had taken place. The Seller shall ensure that the equipment is stored at the Buyer's account and risk. At the request of the Buyer, the Seller shall be obliged to take out insurance for the equipment for the account of the Buyer, but shall be under no obligation to do so unless requested by the Buyer who shall then compensate the Seller for the premium on demand. The Seller shall not be liable for the equipment stored.
- 30.** Unless the Buyer fails to receive the equipment due to any of the circumstances mentioned in section 25, the Seller shall be entitled to request the Buyer in writing to receive the equipment within a time limit fixed by the Seller regardless of the stipulations of section 29. In the event of the Buyer failing to do so within such period of time – due to causes for which the Seller cannot be held liable – the Seller shall be entitled by written notification to the Buyer to cancel the agreement concerning the part of the equipment ready for delivery which is not delivered due to the Buyer's omission.
Furthermore, if the delay is not related to the full equipment or the latest part delivery the Seller shall be entitled to demand an irrevocable guarantee for the payment of any equipment not yet delivered. If the Buyer fails to issue such bank

guarantee which shall be issued on demand without legal proceedings for the timely payment of the purchase sum, the Seller shall be entitled to cancel the agreement concerning the total delivery.

In the event of the Buyer's delay, the Seller shall always be entitled to claim compensation for damage incurred as a result of the Buyer's breach of contract. Such compensation shall not exceed the part of the purchase sum covering the part of the equipment affected by the cancellation unless no bank guarantee is provided – in which case the compensation shall be in accordance with the purchase sum.
The Buyer shall also be obliged to pay all expenses incurred by the Seller in the form of additional costs in connection with the Buyer's delay and the Seller's subsequent cancellation of the agreement.

Reservation of title

31. The title to the equipment sold shall remain with the Seller until the entire agreed purchase sum has been paid. The Buyer shall thus not be entitled to sell, pledge or in any other way dispose of the sold equipment until unconditional payment has been made. Unless the purchase sum has been paid at the agreed time of payment, or if the Buyer acts in breach of the Seller's title, the Seller shall be entitled to demand the immediate return of the sold equipment. A statement shall be prepared in accordance with the corresponding legislative regulations.

32. The Buyer shall be obliged to insure all equipment affected by the Seller's reservation of title to the full and new value.

Payment

33. Unless otherwise agreed, 1/3 of the agreed purchase sum shall be paid at the signing of the agreement and 1/3 on the Seller issuing written notification that a significant part of the equipment is ready for delivery. The balance shall be payable on delivery of the equipment.

34. In the event of the Buyer failing to pay at the agreed time, the Seller shall be entitled to suspend all further work and delivery without the Buyer being entitled to make a claim for delay against the Seller in this connection.
As of the date of maturity, the Seller shall be entitled to claim a default interest corresponding to the official fixed discount at any given time settled by the Danish National Bank with a 9% extra charge.
Any cash discount offered shall lapse simultaneously.

35. In the event of the Buyer failing to pay the amount due within one month, the Seller shall be entitled to cancel the agreement through written notification to the Buyer and in addition to default interest he shall be entitled to claim compensation from the Buyer for any loss suffered by the Seller. As a minimum, such compensation shall be equivalent to the agreed purchase sum for the entire delivery.

36. The Buyer shall under no circumstances be entitled to retain any part of the purchase sum as security for any type of counterclaim asserted.

Liability for defects

37. The Seller shall be obliged to remedy any defect which is due to faulty construction or materials or manufacture if such defect is caused by the Seller. The Seller shall remedy any such defect by performing a repair or replacement of the equipment at his own discretion.

38. The Seller's liability shall only include defects found within one year after the date of delivery of the equipment. If the equipment is used more frequently than agreed or considered implied at the time of the signing of the agreement, such period shall be reduced proportionately.

39. If a defect is asserted against the Seller, the Buyer shall be obliged to submit a written complaint to the Seller, and the Seller shall solely be liable for the defect if such complaint is submitted without undue delay and not later than 14 days after the Buyer has discovered such defect, and under no circumstances later than 14 days after the time limits mentioned in sections 38 and 40.
If there is reason to believe that any defect may involve a risk of damage, a notification to such effect shall be given immediately.
The Buyer shall also be obliged to describe the defect and its effects in the complaint.

In connection with components replaced or repaired in accordance with section 37, the Seller shall assume the same liability as applies to the original equipment for a period of one year. With regard to the other components of the equipment, the period mentioned in section 38 shall be extended only by a period of time corresponding to the time in which the equipment has not been applicable as a consequence of the defects mentioned in section 37.

40. Notwithstanding the stipulations of the present section "Liability for defects", the Seller shall be liable for defects in any part of the equipment for a maximum period of two years from the start of the period mentioned in section 38.

41. After having received written notification from the Buyer concerning a defect, the Seller shall be obliged to repair such defect without undue delay and shall also pay all costs in connection with such repair.
The repair shall be performed at the Buyer's premises, unless the Seller finds it appropriate for the repair to be performed at the Seller's premises in which case the Buyer shall perform dismantling and reassembly following the repair for his

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own account, regardless of whether the Seller has performed the installation in accordance with the agreement.

The Buyer shall be obliged to pay all additional costs incurred by the Seller in connection with the remedy of defects such as the Seller's costs in connection with transportation and accommodation as a result of the equipment being installed in a place different from the place in which the installation was originally performed by the Seller or – if the Seller is not to perform the installation – the place of delivery.

- 42.** The Seller's obligations concerning any defective component shall be considered fulfilled after the delivery of a properly repaired component or replacement component to the Buyer.
- 43.** If the Buyer has given notification concerning a defect and there appears to be no such defect for which the Seller can be held liable the Seller shall be entitled to compensation for the work and the costs incurred in connection with the complaint.
- 44.** In the event of any installation or reassembly involving interference with any material other than the equipment, all work and costs in connection with such interference shall be the responsibility of the Buyer.
- 45.** The Seller shall not be liable for defects caused by equipment provided by the Buyer or constructions prescribed and specified by the Buyer.
- 46.** Defective components replaced in accordance with the Seller's remedial obligation shall be made available to the Seller and be his property.
- 47.** The Seller shall only be liable for defects occurred under the working conditions implied in the agreement and under the correct use of the equipment.
- 48.** Defects which are due to causes occurring after the risk has been transferred shall have no effect on the Seller. Defects due to lack of maintenance/ incomplete maintenance, incorrect installation performed by the Buyer, changes performed without the Seller's written consent, the use of unoriginal components or incorrect repair performed by the Buyer, shall thus be of no concern to the Seller. Finally, liability shall not include normal wear and tear.
- 49.** If the Seller fails to fulfil his obligations within a reasonable period of time in accordance with the remedy of defects as described in section 41, through written notification the Buyer shall be entitled to give the Seller a reasonable final time limit for the fulfilment.
If the Seller fails to fulfil his obligations at the expiry of such time limit, the Buyer shall be entitled to either
- a.**
arrange for the necessary repair and/or the production of new components at the Seller's account and risk, provided that the Buyer does so in a reasonable and proper way and makes all precautions to limit the Seller's obligations to the widest possible extent,
- b.**
or claim a proportionate deduction, however, not more than 10% of the agreed purchase sum.

If a material defect is concerned, the Buyer shall be entitled to cancel the agreement instead by written notice to the Seller. If the defect concerns part of the supplied equipment the Buyer shall, however, only be entitled to cancel the agreement in connection with the defective part of the equipment. Furthermore, the Buyer shall be entitled to cancel the agreement if the defect is still material, regardless of whether repair and/or production of new components is performed by a third party. In connection with cancellation, the Buyer shall be entitled to claim compensation for any loss suffered. Such compensation shall under no circumstances exceed 10% of the agreed purchase sum.

The Seller shall under no circumstances be held liable nor pay any compensation as a result of defects apart from the above-mentioned section concerning replacement and repair, regardless of whether the Seller has acted with gross negligence. In addition, the Seller shall not be held liable for damage to property, loss of production, operating loss, loss of income or other indirect financial loss of any kind.

Furthermore, the Buyer shall not be entitled to claim compensation for costs related to the inconvenience caused in connection with the repair of a defect.

- 50.** Notwithstanding the above-mentioned, all complaints shall be subject to timely payment.

Liability for injuries and damage caused by the equipment (product liability)

- 51.** The Seller shall only be liable for personal injuries if there is evidence that such injury is caused solely as a result of the Seller's fault and neglect in the form of faulty construction, production or installation.
- 52.** The Seller shall only be liable for damage to property if there is evidence that such damage is caused as a result of the Seller's gross negligence in connection

with construction, production, inspection of subsupplies or installation.

- 53.** The Seller's liability shall always be limited to direct damage to property. The Seller shall thus under no circumstances be liable for any operating loss, loss of income or other indirect financial loss of any kind.
- 54.** Furthermore, the Seller shall not be liable for damage to real and personal property caused by the equipment and occurring while the equipment is in the Buyer's possession, to products manufactured by the Buyer or to products of which the equipment is a part, or for damage to real and personal property caused by these products as a result of the equipment.
- 55.** The Buyer shall immediately indemnify the Seller to the extent that the Seller is held liable towards any third party for damage and loss for which the Seller assumes no liability in accordance with the above-mentioned.
In the event of any third party making a claim against any one of the parties concerning liability for damages in accordance with sections 51-54, such party shall immediately inform the other party accordingly.
The Seller and the Buyer shall be under mutual obligation to enter into litigation at the court of law or arbitration tribunal dealing with a claim for damages made against any one of the parties on the basis of damage or loss allegedly caused by the equipment.
Unless otherwise agreed between the parties, the mutual relations between the Buyer and the Seller shall always be settled in accordance with the following regulations concerning legal venue and applicable law.

Exemption of liability (force majeure)

- 56.** In the event of the following circumstances preventing the fulfilment of the agreement or making the fulfilment unreasonably inequitable, such circumstances shall result in exemption of liability:
Labour conflicts and any other circumstances beyond the control of the parties such as but not exclusively mobilisation or military conscription to a similar extent, requisition, confiscation, currency restrictions, unrest and disturbances, lack of transportation, general scarcity of goods, fuel restrictions and defective or delayed deliveries from subsuppliers which are due to any of the circumstances mentioned and included in the present section.
The circumstances mentioned shall only result in exemption of liability if the influence of such circumstances on the fulfilment of the agreement could not be anticipated at the signing of the agreement.

- 57.** Any party wanting to claim exemption of liability in accordance with the above-mentioned section 56 shall be obliged to inform the other party in writing without delay concerning the occurrence and termination of the circumstances.
In connection with force majeure at the Buyer's premises, the Buyer shall be obliged to cover all expenses incurred by the Seller in connection with the safeguarding and protection of the equipment.

- 58.** Regardless of the other stipulations of the present general terms of delivery, any one of the parties shall be entitled to cancel the agreement through written notification to the other party if the fulfilment of the agreement is prevented for a period of more than six months by any of the events mentioned in sections 56 and 25.
If an agreement is cancelled in accordance with the present section, neither one of the parties shall be entitled to make a claim against the other party.

Patent rights

- 59.** If an infringement of patent rights is asserted against the Buyer by any third party in connection with the Seller's delivery of the equipment, the Buyer shall be obliged to inform the Seller as soon as possible. The Seller shall not be held liable for any claim made by a third party against the Buyer for any such infringement, including loss suffered by the Buyer in the event of any third party bringing a legal action against the Buyer in connection with the infringement of a patent right, unless the Seller has acted with gross negligence. In such case, the Seller's obligations to pay damages shall be limited – to a similar extent as mentioned in section 49 – and to 10% of the purchase sum. In connection with a replacement delivery, the Seller shall, however, be entitled to eliminate the infringement.

Disputes, legal venue and applicable law

- 60.** Disputes in connection with the agreement and all matters related shall be settled through arbitration in accordance with current legislative regulations concerning arbitration in the Seller's country.
Unless otherwise agreed in writing between the parties, the Seller shall, however, be entitled to have the dispute settled in court. Any action shall be brought at the Maritime and Commercial Court in Copenhagen or the Seller's legal venue.
- 61.** Any questions of law arising in connection with the agreement shall be settled in accordance with the law in the Seller's country.
If the Seller requests that the case be heard at his own legal venue in connection with an arbitration case, such request shall be heard.

Skive, July 2006