

## General Conditions for Sale and Delivery for IRON Pump A/S

The General Conditions for Sale & Delivery Conditions, which at IRON Pump A/S's (in the following referred to as IRON) discretion may be subject to contractual negotiations between the parties in the case of sale of industrial projects, shall apply unless otherwise agreed in writing by both parties. In case of discrepancy between the parties' general conditions, the General Conditions given below shall apply.

### 1 Price and Order Confirmation

All orders are received subject to IRON's acceptance in writing according to the original quotation. An order is accepted at the price valid at the time of IRON's acceptance of the order. In case of changes in custom duties, costs for transportation, or the like prior to acceptance, IRON reserves the right to change the price at its own discretion, or in case Purchaser cannot accept the changed price to cancel the order without liability.

### 2 Descriptions

#### 2.1

All information and data contained in product brochures are binding only to the extent that they are by reference expressly included in IRON's acceptance of an order.

#### 2.2

IRON shall furnish free of charge to Purchaser a guideline which is sufficiently detailed to permit operation and maintenance of the product.

### 3 Substitution and Alteration

#### 3.1

IRON reserves the right to substitute any part whatsoever of the product for other parts - also after delivery has taken place - provided, that such parts are of the same quality as those specified for the originals, provided, however, that IRON informs Purchaser of such substitution.

#### 3.2

IRON is entitled to make minor changes, which at IRON's discretion is necessary from a technical point of view. However, such changes may not prevent Purchaser's intended use of the product.

### 4 Cancellation and Postponement

#### 4.1

If Purchaser is cancelling an order, which has been confirmed by IRON, more than eight (8) working weeks prior to the confirmed delivery date, a cancellation fee applies, amounting to the liquidated costs – minimum 25% of the order amount.

Cancellation less than eight (8) weeks prior to the confirmed delivery date is not possible.

#### 4.2

If Purchaser is postponing an order, which has been confirmed by IRON, of more than eight (8) working weeks, 50% of the order amount shall be due according to the agreed payment terms based on the confirmed delivery date, and the remaining 50% according to the agreed payment terms based on the postponed delivery date.

### 5 Packing

The agreed prices exclude costs of necessary packing materials.

### 6 Delivery - Passing of Risk

#### 6.1

Any agreed trade term shall be interpreted in accordance with the INCO-TERMS 1990. The risk for accidental damage to the product will pass to Purchaser upon delivery.

#### 6.2

If Purchaser fails to accept delivery he shall be charged with the expenses incurred for storage, commencing fourteen (14) days after notification that the product is ready for delivery. If the product is stored at IRON's premises, at least two per cent (2%) of the invoice amount shall be charged for each month with addition of the expenses incurred for storage as specified by IRON. Furthermore, IRON is entitled to claim compensation for further damages due to Purchaser's lack of acceptance of delivery, unless caused by force majeure cf. Clause 12. Storage constitutes delivery for all purposes of the contract.

### 7 Payment

#### 7.1

The total purchase price shall be paid according to the conditions specified in IRON's order confirmation.

All expenses occurred by the way of payment of the purchase price shall be paid by Purchaser.

#### 7.2

The delivery shall remain the property of IRON until payment has been made in full. Bills of exchange, letter of credit, instruments of debt or any of the like shall not be considered as payment until fully paid. Sale of the delivery to a third party by the Purchaser is not permitted before the Purchaser fully owns the delivery. In individual cases this can be deviated from by written agreement. In this case, the Purchaser as contractual partner of IRON cedes his claim of this sale to IRON.

#### 7.3

If Purchaser does not pay within the time stipulated IRON is entitled to charge interests on overdue payments at the rate of 2.0% (two point zero per cent) per commencing month.

#### 7.4

Payment can only be made with discharging effect for Purchaser to IRON.

#### 7.5

Purchaser is not entitled to offset any amount in the purchase price.

#### 7.6

Purchaser is obliged to have an insurance of the delivery covering the full replacement value and any risk in the period from delivery to final payment has been made. The insurance policy shall at request be presented to IRON. At IRON's request the insurance company shall be notified to the effect that any compensation to be paid by the insurance company in the event of damage or loss of the product shall be made to IRON only.

### 8 Inspection of the Product during Manufacture and Test before Delivery

#### 8.1

If the contract provides for the product to be inspected during manufacture, such inspection shall, unless otherwise agreed in writing, be carried out at the place of manufacture during normal working hours.

#### 8.2

IRON shall notify Purchaser or his representative of the tests of the product ready for delivery in sufficient time to permit Purchaser to be represented at the tests. If, in spite of such notice, Purchaser is not represented at the tests, a copy of the test report shall be communicated to Purchaser, who shall not be entitled to contest the correctness of such report.

#### 8.3

If, during any test referred to in Clause 8.2, the product is found to be defective, IRON shall without delay make good the defect.

#### 8.4

As soon as IRON has taken the measures required in Clause 8.3, Purchaser or his representative shall be notified thereof in writing. Purchaser shall be entitled to require a new test.

### 9 Liability for Delay with Delivery or Take Over

#### 9.1

IRON is not liable for damages due to delay unless it is established that such loss is due to gross negligence on IRON's part or others for whom IRON is liable.

#### 9.2

Should Purchaser sustain damages owing to a delay for which IRON is responsible, cf. Clause 9.1, he shall be entitled to claim liquidated damages for such delay. Liquidated damages shall amount to point five per cent (0.5%) for each full week of delay, however, providing for a grace period of six (6) weeks, but shall not exceed five per cent (5%) of the value of that part of the total delivery, as per the net selling price cf. Clause 10.7, which, as a result of the delay, cannot be used in time or in accordance with the contract. IRON is in no event liable for any consequential damages, e.g. loss of profit or loss suffered by third parties.

### 9.3

Delay with delivery, in spite of such delay is due to IRON does not constitute any rights for Purchaser to terminate an order unless the delay exceeds three (3) months.

### 9.4

Purchaser's rights according to Clauses 9.2 and 9.3 exclude all other claims and remedies.

## 10 Liability for Defects

### 10.1

IRON shall be liable for defects of the product as follows:

If, within twelve (12) months after the product has been delivered the use of the product is rendered impossible or significantly impaired owing to circumstances existing prior to the passing of risk - in particular defective design or defective material or poor workmanship - IRON shall at its option either repair or replace such component free of charge provided, however, that the defective part (pumps, seals etc.) or the machinery is returned to IRON for repair or replacement at IRON's premises within sixty (60) days after Purchaser's notification of the defect to be given in writing within eight (8) days after discovery. Transport of the machinery or parts for repairs or replacement from Purchaser to IRON shall be made cheapest possible.

Replaced components shall become the property of IRON.

In the event that a defect is found by IRON for which IRON cannot be held liable, IRON shall be entitled to compensation for the work and costs which IRON has incurred.

If taking-over tests are delayed through no fault of IRON the liability shall expire fifteen (15) months after the passing of risk at the latest.

### 10.2

The right of Purchaser to make claims deriving from defects shall terminate in all cases 14 days after notification of the defects and at the latest when the twelve months guarantee expires, cf. Clause 10.1.

### 10.3

No warranty shall be undertaken for damages, which is attributable to unsuitable or improper use, faulty assembly or commissioning by Purchaser or third parties, normal wear and tear, faulty or negligent handling, unsuitable utilities and replacement materials, electrolytic alterations or repair work carried out by Purchaser, provided that they are not attributable to the fault of IRON.

### 10.4

Purchaser shall grant IRON the time and opportunity, after consultation with IRON, to carry out all repairs and supply all replacements, at IRON's discretion; otherwise IRON shall be released from all liability for the defects.

### 10.5

The guarantee period for the replacement part and repairs shall be three (3) months, running at least to the expiry date of the original guarantee on the goods supplied. The twelve months period of liability for defects, cf. Clause 10.1, shall be extended by the duration of the period in which the product could not be used caused by the repair work.

### 10.6

Purchaser waives all rights to be indemnified for any consequential damages, e.g. loss of profit, loss suffered by third parties, and claim for damages which is not incurred on the goods themselves, unless it is established that such loss is due to gross negligence on IRON's part of others for whom IRON is liable.

### 10.7

If IRON is liable according to Clause 9.6 compensation for defects is limited to five per cent (5%) of the net selling price for the delivery, i.e. the amount invoiced by IRON less all freight charges, insurance, packing, installation, commissioning, after sales service, and any and all taxes and duties imposed on the sale of the product, e.g. VAT and custom duties.

## 11 Product Liability

### 11.1

IRON is not liable for damage to real property or movables unless it is established that such damage to real property or movables is due to gross negligence on IRON's part or others for whom IRON is liable.

### 11.2

IRON is under no circumstances liable for personal injury or damages as stated in Clause 11.1 above if such personal injury or damages are due to use of the delivered products contrary to IRON's manuals or technical specifications or are due to negligent acts on the part of others than IRON.

### 11.3

IRON is under no circumstances liable for indirect loss, loss of profits, or any other kind of consequential loss.

### 11.4

IRON is liable for personal injuries and for damage to real property or movables intended for non-commercial purposes according to the rules in the Danish Act of Product Liability to the extent that IRON's liability is not limited pursuant to Clause 11.1 through 11.3.

### 11.5

In the event that IRON is held liable according to the rules concerning "Product Liability" in relation to third party, Purchaser is obliged to indemnify IRON from all claims to the extent that IRON has limited his liability according to Clause 11.1 through 11.4.

### 11.6

If a third party should claim damages from one of the contracting parties in respect to a delivery made under these General Conditions, this party is obliged to inform the other party about the claim with the utmost dispatch.

## 12 Force Majeure

Any delay in or failure of performance of either party shall be considered as cases of relief of responsibility to the extent that such delay in or failure of performance are caused by occurrences after the acceptance of the quotation and are beyond the control of the party affected including, but not limited to:

Industrial disputes, fire, war, general mobilisation of unforeseen military mobilisations, general shortage of materials, requisitions, import bans or export bans, shortage of transport, civil commotion, or delays /faults in deliveries by subsuppliers.

## 13 Various

### 13.1

The General Conditions stipulated in Clause 1 through 15 shall apply with the following exception and clarification:

### 13.2

IRON's liability for defects, according to Clause 10.7, cannot exceed DKK 1 million.

### 13.3

Purchaser waives all rights to be indemnified for lay time and demurrage.

## 14 Work Outside the Contract

All civil works or ships construction works are considered to be outside IRON's scope of supply.

## 15 Disputes and Applicable Law

Any Disputes arising out of the contract regarding the interpretation and application of the contract shall be governed by Danish Law.

The venue for any legal actions instituted by Purchaser against IRON shall be the Maritime and Commercial Court in Copenhagen.

Legal actions against Purchaser can be instituted at IRON's discretion at the Maritime and Commercial Court in Copenhagen or at Purchaser's normal venue.