



GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS AND RELATED SERVICE

1. Placing of the order

(1) An Order for the Supply of Mechanical, Electrical and Electronic Products ("Goods") and related service is placed by Caljan Rite-Hite by the issue of a Purchase Order. A Purchase Order becomes binding on both Parties When Accepted by the Seller. Any term deviating from the Agreement, hereunder these General Terms, shall only apply if it has been accepted in writing by Caljan Rite-Hite before delivery of the Goods.

2. Prices and payment

(1) The price for the Goods will be listed in the Purchase Order.

(2) Terms of payment shall be current month plus 60 days after receipt of correct and adequately prepared invoice. Invoice shall be issued in accordance with the Purchase Order and the Agreement in order to become due for payment. Caljan Rite-Hite's payment of an invoice shall not be considered acceptance of the delivery of Goods, and Caljan Rite-Hite shall, regardless of payment, maintain the right to claim remedies for breach.

(3) In case of delayed payment, interest may be charged with the Danish Central Bank's official discount rate plus 4 % per year.

(4) The Seller shall not be entitled to receive payment until the Seller has observed all his contractual obligations, including contractual delivery, relevant documentation, remedying of any defects, and issuing of correct invoice, always in accordance with the Agreement.

3. Delivery and delay

(1) Place of delivery and passing of title and risk shall be DAP at the address on the purchase order (as per Incoterms 2010) unless the Goods are to be installed, in which case Delivery and passing of Risk shall pass upon Caljan Rite-Hite's acceptance of the installation, unless otherwise specified in the Purchase Order.

(2) The Seller shall be in charge of packing the Goods and shall be responsible for the adequacy and appropriateness of the packing, so that the supply can be transported undamaged to the agreed place of delivery. If Goods are to be carried by Ship transport, the Seller shall ensure that the Goods are packed seaworthy.

(3) In case the Goods are supplied in a non-contractual state, defective or not supplied in correct quantities, the Seller shall cure any such deficiencies in the Goods in accordance with this Agreement. Goods are not delivered until such deficiencies have been cured to the satisfaction of Caljan Rite-Hite.

(4) The time of delivery will be stated in the Purchase Order. Time is of the essence and any delay shall be considered material. In case of delay, including delay caused by force majeure, the Seller shall be obliged to give written notice of the delay, and the Seller shall be obliged to cover any loss or additional cost caused by the delay (except in case of force majeure), if Caljan Rite-Hite, at its sole discretion, decides to accept the delay.

(5) If Caljan Rite-Hite decides to accept the delay, the Seller undertakes to pay, without documentation for a loss, a penalty in the form of a cash reduction of the purchase price of 2½ % of the total purchase price for each 7-day period or fractions thereof of delay, however, no more than 15 % of the total purchase price. The cash



reduction shall be deducted in connection with payment of the invoice for the Goods and shall not require special notice to the Seller.

4. Defects

(1) The Seller warrants and guarantees that the Goods are in every respect clear and free from any pledge, lien or encumbrance and in full compliance with any instructions, specifications or drawings as agreed with Caljan Rite-Hite or specified by Caljan Rite-Hite and of good, merchantable quality and manufactured in accordance with industry standards, government rules and regulations and good workmanship. If this is not the case the Goods are considered Defective.

(2) If Seller changes the design, content, structure, raw materials, color, composition, treatment or manufacturing process of the Goods, and this results in different characteristics of the Goods, such changes shall be agreed to by Caljan Rite-Hite prior to delivery. If such agreement from Caljan Rite-Hite is not obtained prior to delivery, Caljan Rite-Hite may in its sole discretion, and irrespective of the apparent insignificance of the changes, declare the Goods to be Defective.

(3) If the Goods are Defective or fully or partly not in accordance with the Agreement or Caljan Rite-Hite's instructions, specifications or drawings, the Seller shall replace the Goods by new Goods (re-delivery) or remedy the defects within an agreed reasonable period without costs for Caljan Rite-Hite. Caljan Rite-Hite shall only be obliged to accept the Seller's re-delivery or remedying, if this can be done either before the time of delivery or within an agreed reasonable period. Any remedying or re-delivery shall be at the Seller's risk and expense and shall be carried out at the place where the Goods are located, unless the Seller finds it appropriate to remedy the defect elsewhere and the Goods can be moved without inconvenience for Caljan Rite-Hite.

(4) If defects are not remedied by the Seller in accordance with the above, Caljan Rite-Hite shall in its sole discretion be entitled to remedy the defects at the Seller's expense and risk, to cancel the Purchase Order and claim damages according to applicable law. Caljan Rite-Hite may decide to accept the defective Goods in exchange of a reduction of the purchase amount.

(5) If re-delivery is made with delay, or if remedying has not been completed by the date of delivery, Caljan Rite-Hite shall be able to claim a penalty in accordance with Clause 3.5 above without special notice.

(6) Caljan Rite-Hite does not necessarily carry out full quality control of the Goods upon delivery, and Caljan Rite-Hite shall therefore at any time be entitled to enforce defects, to the extent that notice to this effect has been issued by Caljan Rite-Hite no later than three weeks after Caljan Rite-Hite has discovered the defect. Notice can be issued per email, letter or orally.

5. Documentation

(1) Any drawings, technical documents and other documents regarding the supply of Goods ("Documentation") shall in any respect belong to Caljan Rite-Hite, regardless whether such documentation has been prepared fully or in part by the Seller. The Seller shall not use Documentation unless in relation to the supply of Goods, and the Seller must not copy or reproduce the Documentation or disclose it to a third party unless with the prior consent from Caljan Rite-Hite. If the cooperation between the parties terminates, regardless of the reason, Caljan Rite-Hite shall be entitled to use any documentation prepared by the Seller.

(2) Unless specified otherwise in the Purchase Order, the Seller shall as an integrated part of the supply of Goods provide Caljan Rite-Hite with specified and/or required certificates or documentation, installation and operating manuals, safety and

maintenance instructions and other information and drawings ensuring that Caljan Rite-Hite is fully able to use, process, mount, incorporate, maintain and repair the Goods.

(3) Special tools and special moulds which may have been made only for supply of Goods to Caljan Rite-Hite and which have been paid for fully or in part by Caljan Rite-Hite, shall only be used to execute orders for Caljan Rite-Hite.

(4) In case of termination of the cooperation between the Parties, the Seller is obliged on demand to return any documentation, special tools, special moulds and other material related to the Goods. The Seller shall not, regardless of the circumstances, be entitled to exercise a right of retention, levy a lien on such or in any similar way prevent immediate handing over to Caljan Rite-Hite of such objects.

6. Intellectual Property

(1) Seller warrants that he has cleared any and all right, title and interest in the Goods and Seller shall, at his sole risk and expense defend, indemnify and hold harmless Caljan Rite-Hite from and against, any claim, suit or proceeding brought against Caljan Rite-Hite or any member of the Caljan Rite-Hite corporation, claiming that the use, manufacture or sale of the Goods or any part thereof by Caljan Rite-Hite in its business interest, constitutes infringement of any patent, copyright, trademark, design right, right to proprietary information or any other intellectual or intangible right ("Intellectual Property Right") of a third party.

(2) To the extent that any Intellectual Property Right incorporated in the Goods belongs to the Seller, Caljan Rite-Hite has a perpetual, royalty free but non-exclusive right to use the Goods within Caljan Rite-Hite's business interest. Caljan Rite-Hite may transfer and assign such right along with Caljan Rite-Hite's business interest.

(3) Where any potential Intellectual Property Right in any country in the world results from developments, ideas, information, input, data, equipment, processes, substances, specifications, methods or similar, done by or originating from Caljan Rite-Hite such rights shall vest with Caljan Rite-Hite.

7. Subcontractors

(1) In relation to the supply of Goods, the Seller shall only use Subcontractors approved by Caljan Rite-Hite and Seller must ensure that any Subcontractor is subjected to duty of confidentiality and right to audit/inspect as outlined below in clause 8.

(2) The Seller shall not replace an approved subcontractor without Caljan Rite-Hite's prior consent, which shall not be unreasonably withheld.

8. Inspection & quality requirements

(1) Caljan Rite-Hite shall at any time be entitled to inspect or audit the documentation relating to the Goods or the manufacturing and packing of the Goods at the Seller's plant or at the Seller's approved Subcontractors' plant. The right will be exercised upon reasonable notice at reasonable times and Caljan Rite-Hite may authorize a representative to conduct the inspection or audit. Caljan Rite-Hite is entitled to take copies of any records inspected in the course of that audit or inspection. Seller shall co-operate fully and furnish Caljan Rite-Hite all necessary assistance in the conduct of the auditor inspection. Caljan Rite-Hite shall only be entitled to audit those records directly relating to the supply of Goods.

(2) Caljan Rite-Hite shall be entitled to carry out any review, examination or request any information relevant to ensure and confirm that the supply of Goods is on time and that delivery will be free of defects and in contractual condition.

(3) Caljan Rite-Hite shall at any time be entitled to take any measures required under applicable law to ensure Caljan Rite-Hite's right of ownership, if title to the Goods shall pass to Caljan Rite-Hite prior to delivery.

9. Liability and insurance

(1) The Seller shall be liable for any claim for damages or breach of contract in accordance with applicable law.

(2) The Seller has been encouraged to take out appropriate insurance cover for the supply of Goods, including transport insurance, liability insurance and product liability insurance.

10. Force Majeure

(1) Failure in performance under this Agreement by either Party shall not be deemed a breach of this Agreement if such failure arises from any cause in the nature of Force Majeure.

(2) Force Majeure includes;

(a) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not),

(b) acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power;

(c) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

(d) Earthquake, flood, fire, explosion, Acts of God and/or other natural physical disaster; but excluding weather conditions as such, regardless of severity, for which operational contingency plans exist;

(e) Strikes at a national or regional level or industrial disputes at a national or regional level, or strikes or industrial disputes by labour not employed by the affected party its Contractors or its suppliers and which affect a substantial or essential portion of the duties of a Party;

(f) Maritime or aviation disasters;

(g) Changes to any general Statute, Ordinance, Decree, or other Law or any regulation or the introduction of any such Statute, Ordinance, Decree, Law or regulation.

(3) Any Party desiring to invoke the protection of Force Majeure shall promptly notify the other Party of such desire and shall use reasonable efforts to resume performance of its obligations.

11. Governing law & disputes

(1) Any dispute between the parties shall be subject to Danish law with the exception of any choice of law rule or international private law rules that would deem otherwise.

(2) Any legal action shall exclusively be brought before the Maritime and Commercial Court of Copenhagen, Denmark.