

## **The Company's General Terms and Conditions of Sale and Delivery**

### **Applicability**

These Terms and Conditions of Sale and Delivery (the "Terms and Conditions") apply when V. Brøndum A/S:

- provides a quotation to a customer;
- encourages a customer to submit an offer; and
- enters into an agreement with a customer on sale and delivery of products and related services;

unless explicitly varied by written agreement on a case-by-case basis.

These Terms and Conditions and V. Brøndum A/S's quotation(s), if relevant, and order confirmation(s) constitute the entire contractual basis between V. Brøndum A/S and the relevant customer.

The customer's own standard terms and conditions, if any, will not be part of the contractual basis between V. Brøndum A/S and the customer.

### **Advice, quotation and agreement**

In so far as V. Brøndum A/S provides advice to a customer on the choice of products, such advice will be based on the information given to V. Brøndum A/S by the customer.

The customer will be responsible for ensuring that the customer's choice of product satisfies the customer's wishes and requirements. In connection with the sale of large machines, V. Brøndum A/S can normally offer the customer a demonstration, thereby allowing the customer to test the machine for a specific job before placing an order.

Drawings, sketches, etc., submitted together with a quotation can only be considered to be to scale if this is indicated in writing. V. Brøndum A/S retains the copyright to all drawings, sketches, etc. prepared by V. Brøndum A/S, and they must not be disclosed to any third party without permission.

Any quotation submitted, written or oral, will be binding for two weeks from the date of its submission.

Not until V. Brøndum A/S has issued an order confirmation can an agreement be considered final. Immediately upon receipt of V. Brøndum A/S's order confirmation, the customer must give notice if the order confirmation is inconsistent with the customer's order. If no such notice is given, the customer will be bound by the contents of the order confirmation.

No one - including distributors - is allowed to make changes or additions to V. Brøndum A/S's order confirmations, and V. Brøndum A/S will not be bound by such changes/additions, which will therefore not be part of the agreement entered into between V. Brøndum A/S and the customer.

V. Brøndum A/S may cancel an order previously confirmed if the customer is in default of payment, or if there are any doubts about the creditworthiness of the customer.

## **Price**

All prices are ex works and exclusive of VAT and other taxes and duties. V. Brøndum A/S reserves the right to change the prices as a consequence of changes in charges, customs duties, exchange rates or printing errors.

All prices are based on the price list in force on the date of submission of the quotation or issue of the order confirmation. V. Brøndum A/S reserves the right, irrespective of reason and without prior notice, to adjust the current price lists with effect for the future.

## **Delivery time**

Delivery will take place at the time specified in the order confirmation. However, the delivery time specified in the order confirmation must not be regarded as an obligation to deliver at a precise time within the meaning of section 21(1) of the Danish Sale of Goods Act.

A delivery time that has not been confirmed in writing in an order confirmation will not be binding on V. Brøndum A/S.

If no delivery time has been agreed, delivery will take place as soon as possible after it becomes possible for V. Brøndum A/S to deliver.

In the event of force majeure, see below under "Disclaimer of liability", V. Brøndum A/S reserves the right to postpone delivery by a period of the same duration as the force majeure event.

If delivery does not take place at the time confirmed by V. Brøndum A/S and the delay can be ascribed to circumstances within V. Brøndum A/S's control, the customer will, if the delay exceeds 7 days, be entitled to an agreed penalty corresponding to 0.5 % of the value of the delayed products for each full week of the delay, the maximum being, however, 7.5 % of the value of the delayed products. This agreed penalty is the maximum compensation that the customer can claim from V. Brøndum A/S in the event of a delay.

If delivery has not taken place within 90 days of an agreed delivery time, the customer will be entitled to terminate the agreement with immediate effect by contacting V. Brøndum A/S in writing. Such termination must take place without undue delay.

If the customer fails to accept delivery at the agreed time, the buyer will nevertheless be required to make the agreed payment.

## **Terms of delivery**

The terms of delivery are ex works, at which time the risk for the product(s) delivered will pass to the customer. This will apply even if the parties agree that V. Brøndum A/S is to arrange the transport and/or pay the transport expenses.

The transport method will be chosen by V. Brøndum A/S based on their best estimate, unless anything else is explicitly requested by the customer in writing.

## **Payment**

Payment must be made in accordance with individually agreed terms of payment.

In the case of large orders, V. Brøndum A/S reserves the right, prior to delivery, to request a bank guarantee for the order amount and/or advance payment of all or part of the order amount.

Interest will be charged from the due date specified in the invoice issued by V. Brøndum A/S, see section 3(1) of the Danish Interest Rates Act, at the interest rate in force from time to time at V. Brøndum A/S, see section 6 of the said Act.

## **Retention of title**

V. Brøndum A/S will retain the title to the delivered products until receipt of the full invoice amount with the addition of interest and any costs incurred as a consequence of the customer's payment default, and V. Brøndum A/S will therefore be entitled to take back the sold products if the invoice is not paid.

## **Defects and warranty**

The customer must inspect the purchased product immediately upon delivery. If the customer wants to claim a defect in a product supplied, the customer must immediately after the defect is discovered or ought to have been discovered give V. Brøndum A/S notice thereof in writing, including particulars about the defect. If the customer has discovered or ought to have discovered the defect and does not give notice of the defect as described above, the customer will forfeit the right to claim the defect at a later point in time.

The absolute time-limit for giving notice of defects is 12 months from the date of delivery. Consequently, if the customer does not give V. Brøndum A/S notice of a defect within 12 months of delivery, the customer cannot later claim that the sold product was defective.

V. Brøndum A/S will be entitled to remedy any defect, and the customer will only be entitled to terminate the agreement if the defect is material and the remedying does not take place within two months of the date of the customer giving notice of the defect.

The customer will not be entitled to exercise any other remedies for breach in the event that the sold product is defective.

V. Brøndum A/S warrants that the sold product will be free from manufacturing and material defects, in so far as such defects do not originate from normal wear and tear, non-maintenance, incorrect maintenance, misuse and/or abuse.

The warranty will be valid for a period of 12 months from the date of delivery. Warranty claims must be made in writing within that period. If not, they will be forfeited.

V. Brøndum A/S will be entitled to remedy defects claimed during the warranty period.

Warranty repairs may be carried out by the customer subject to V. Brøndum A/S's approval, or by V. Brøndum A/S.

The distributor discount granted to the customer includes 1% to cover the customer's warranty costs exclusive of spare parts, which will be delivered free of charge by V. Brøndum A/S. V. Brøndum A/S will not be liable for any further warranty repair costs incurred by the customer.

Before any repair work, all warranty cases must be approved by V. Brøndum A/S.

V. Brøndum A/S may demand a return of defective parts for approval.

If warranty repairs are to be carried out by V. Brøndum A/S, the customer must send the defective product to V. Brøndum A/S at the customer's expense.

V. Brøndum A/S will carry out repairs and required replacements in its own workshop free of charge and as soon as possible within normal working hours. After the repair, the product will be returned, carriage paid, by V. Brøndum A/S.

In the event of complaints, the product must always be sent carriage-paid together with delivery note or invoice copy, unless otherwise agreed.

V. Brøndum A/S may refuse to repair products contaminated with toxic or other environmentally harmful substances.

In the case of products that have not been manufactured by V. Brøndum A/S, V. Brøndum A/S reserves the right to send on such products to the manufacturer for repair.

### **Return of products**

Return of a sold product will be subject to prior agreement, and the product must always be sent carriage-paid to V. Brøndum A/S together with delivery note or invoice copy. A product can only be returned if it appears as new and can be sold as such. A returned product will be credited excluding the applicable return handling fee.

Customised products such as machinery tailored to a customer's specific tasks, a suction hose shortened to special measurements, or products purchased especially for a customer, cannot be returned.

A product cannot be returned later than three months after the original date of delivery.

### **Disclaimer of liability**

V. Brøndum A/S will not be liable for any delay in the delivery of a product and/or for any defect in the product delivered where such delay/defect is caused by circumstances beyond V. Brøndum A/S's control, e.g. damage to production equipment which has caused a delay in or damage to the production, labour conflicts of any kind, long-term sickness absence, delayed sub-supplies, and force majeure events.

Force majeure will e.g. exist if V. Brøndum A/S or its sub-supplier and/or carrier is prevented from fulfilling the agreement as a result of war, civil war, unrest, terrorism, public restrictions, political unrest, import or

export prohibitions, blockade, strike, work stoppage or other labour conflicts, and natural disasters. Force majeure will also exist if delivery is prevented due to business disruptions, or if delivery would be disproportionately costly due to the circumstances of or non-delivery by V. Brøndum A/S's sub-suppliers.

Delayed and/or defective supplies will be covered by the above-mentioned disclaimer of liability if the delays/defects are caused by the sub-supplier's delay or non-performance, and this is justified by one of the above-mentioned circumstances or by termination of the sub-supplier's business.

### **Limitation of liability**

V. Brøndum A/S will in no event be liable for the customer's operating loss, loss of profit or any other indirect losses, including losses resulting from the customer's legal relationship with third parties.

V. Brøndum A/S will not be liable for any loss of or damage to property, including machinery, which does not belong to V. Brøndum A/S but has been delivered to V. Brøndum A/S by the customer for the purpose of carrying out an agreed job, e.g. a repair job, unless it is proved that the loss or damage was due to gross negligence on the part of V. Brøndum A/S or its employees. The customer will be responsible for ensuring that the items delivered to V. Brøndum A/S are insured against damage and/or accidental destruction.

Such compensation claims against V. Brøndum A/S cannot exceed the invoice amount or a maximum of DKK 10,000.

### **Product liability**

Unless otherwise prescribed by mandatory law, V. Brøndum A/S will not be liable for damage to commercial property or other damage caused by defects in the delivered products where such damage occurs after delivery to the customer, including damage to products manufactured by the customer.

Furthermore, unless otherwise prescribed by mandatory law, V. Brøndum A/S will not be liable for the customer's indirect losses, including operating loss, loss of profit, loss of earnings or any other consequential financial losses caused by defects in the products supplied. V. Brøndum A/S will also not be liable for taking back, recalling, repairing, replacing, destroying or removing defective products delivered by V. Brøndum A/S.

The customer must indemnify V. Brøndum A/S in respect of any liability incurred by V. Brøndum A/S towards any third party as a result of the customer's sale of the product for a purpose falling outside the product's normal use/specifications, or as a result of inadequate or incorrect advice given by the customer in connection with a sale. The customer will be under an obligation - at V. Brøndum A/S's request - to indemnify V. Brøndum A/S in respect of any amount that V. Brøndum A/S may be ordered to pay to any third party in that regard.

### **Disputes, venue, etc.**

Agreements between the customer and V. Brøndum A/S, including interpretation and gap-filling of the Terms and Conditions, will be governed by Danish law.

Any dispute between the customer and V. Brøndum A/S must be settled by the Court of Aarhus as the court of first instance.

The customer will be under an obligation to appear as defendant before a court that hears a claim for damages raised against V. Brøndum A/S as a result of any damage or injury allegedly caused by defects in V. Brøndum A/S's products.

Silkeborg, February 2017  
Per Brøndum