

## GENERAL TERMS AND CONDITIONS OF SALE

### Spare Parts and Service Engineers

These General Terms and Conditions of Sale ("Terms") apply to all deliveries of Parts and Products ("Products") and for Service Engineers ("Service") from Danfoss Semco A/S ("Danfoss Semco") to any customer ("Customer").

No terms and conditions other than the Terms shall be binding upon Danfoss Semco and the Customer unless agreed in writing by both Danfoss Semco and Customer. All terms and conditions contained in any prior communication which are different from or in addition to the Terms shall not be binding on Danfoss Semco unless otherwise expressly agreed in writing by both Danfoss Semco and Customer.

#### 1. Confirmation of Order

Danfoss Semco shall not be deemed to have accepted a purchase order until written, including electronic, confirmation of the order from Danfoss Semco is received by Customer.

#### 2. Terms of Delivery of Products

The Products are delivered EXW from Odense, Denmark. EXW shall be interpreted in accordance with the version of Incoterms valid on the time of acceptance of the purchase order or quotation.

#### 3. Terms of Delivery of Service

A Service Engineer will attend the agreed location on the agreed date and inspect the system. Whilst we will endeavour to provide a Danfoss Semco Service Engineer, we reserve the right to use a suitably qualified third party to fulfil the order.

If Customer is unable to provide Service with access on the agreed date, Customer must contact Danfoss Semco as soon as possible and at least 5 business days before the agreed appointment in order to arrange an alternative date.

Danfoss Semco reserve the right to cancel an appointment and to retain an inspection fee should Danfoss Semco have reason to believe that the health and safety of the service engineer cannot be guaranteed.

In the event that the fault is not product related, or alternatively if the fault is due to an installation error or because the system requires cleansing, then Service Engineer will advise you of this on the day and Danfoss Semco reserve the right to charge an inspection fee.

#### 4. Delay

If Danfoss Semco does not deliver at the agreed time, Customer is entitled to request delivery in writing and fix a final, reasonable, time limit for delivery. If delivery is not made within this time limit, the Customer is entitled to rescind the agreement of sale and claim compensation for its documented, direct loss. No further claims can be made by the Customer as a result of the delay.

In case the customer does not take delivery of the products or delivery is postponed at the request of the customer, Danfoss Semco shall be entitled to charge the customer for the costs of handling and storage, including insurance.

In the case that the customer delays access for a service technician or postpones a service appointment, without prior agreement, Danfoss Semco shall be entitled to charge the customer the service technicians waiting time costs agreed on the order confirmation.

We reserve the right to not fulfil a Service appointment, should the necessary spares be unavailable, if the product is subject to recall, or if the product has become obsolete and removed from our current product list.

#### 5. Prices

Prices for Products are exclusive of VAT and/or other taxes or duties. Danfoss reserves the right to adjust accepted prices for non-delivered Products in the event of alterations in rates of exchange, variations in costs of materials, sub-suppliers' price increases, changes in wages, state requisitions or similar conditions over which Danfoss Semco has no or limited control.

## 6. Terms of Payment

All new Customers will be invoiced Payment Before Delivery unless otherwise agreed prior to order. Existing Customer must pay according to the agreed payment terms. From due date an interest rate of the lesser of 2% per month or the highest rate allowable under applicable law will be payable.

All payments made via the Danfoss Semco online card payment system will incur additional charges of 1,25% for Danish credit cards, and 2,45% for all international credit cards.

If the Customer fails to pay on the agreed date Danfoss Semco shall be entitled to suspend all further work and cancel further deliveries. The Customer shall in this connection not be entitled to assert delay on Danfoss Semco.

## 7. Product Information

Any information – irrespective of derivation from Danfoss Semco or a Danfoss Semco business contact – including but not limited to information on weight, dimensions, capacity or any other technical data in catalogues descriptions, advertisements, etc. shall be considered informative, and are only binding if and to the extent, explicit reference on this is made in offer and/or order confirmation. Specific demands from the Customer are only binding if and to the extent they have been confirmed by Danfoss Semco in writing.

## 8. Proprietary Information and Confidentiality

Any non-public information, including, but not limited to, drawings, descriptions and any other technical documents which Danfoss Semco has made or may make available to Customer ("Technical Information") shall remain the property of Danfoss Semco and shall be treated as confidential by Customer and its representatives and must not, without the written consent of Danfoss Semco, be copied, reproduced, or transferred to third parties or be used for other purposes than those intended when the Confidential Information was made available. Confidential Information shall be returned upon Danfoss Semco's request.

## 9. Alterations

Danfoss Semco reserves the right to make alterations to Products, which do not materially affect agreed specifications or the Products' form, fit or function, without notice.

## 10. Cost-free Repairs

Danfoss Semco agrees to repair or replace, at the discretion of Danfoss Semco, such Products that on Danfoss Semco's examination are found to be defective at the time of delivery due to faulty manufacture, design and/or defective materials, provided the Customer makes a claim to Danfoss Semco within 12 months (unless otherwise agreed beforehand) from the date of delivery. If defects occur within the above mentioned period, the Product shall be forwarded to Danfoss Semco according to prior agreement with Danfoss Semco. A description of the reason for returning the Product shall be enclosed. Freight and insurance is paid by Customer. Products returned shall be free of extraneous equipment.

If Danfoss Semco's examination shows that the Product is not faulty, the Product shall be returned to Customer upon request. Freight and insurance shall be paid by the Customer. If Danfoss Semco ascertains that the Product is faulty, Danfoss Semco shall send the repaired or a replacement Product to Customer. Danfoss Semco may choose the method of dispatch and pays freight and insurance. Products or product parts which have been replaced shall be the property of and retained by Danfoss Semco.

Warranties, conditions and other terms implied by statute or otherwise shall be excluded other than those, that cannot be excluded by applicable law.

## 11. Product Liability

Danfoss Semco shall not be liable for any damage to real property or chattels caused by the Product after it has been delivered and whilst it is in the possession of the Customer. Nor shall Danfoss Semco be liable for any damage to products manufactured by the Customer, or to products of which the Customer's products form a part.

If Danfoss Semco incurs liability towards any third party for such damage as described in the preceding paragraph, the Customer shall indemnify, defend and hold Danfoss Semco harmless.

Customer shall indemnify and hold Danfoss Semco harmless for all claims arising from damage resulting from the use or operation of the Products because of improper repair, maintenance or operation of the Products by Customer, the failure of Customer to adequately train personnel in the operation of the Products, Customer's failure to comply with applicable laws or regulations or otherwise.

If a claim or damage as described in this clause is lodged by a third party against either Danfoss Semco or the Customer, the respondent party shall immediately inform the other party thereof in writing. The Customer shall be obliged to let itself be summoned to the court of arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product.

#### 12. Secondary Damage

Danfoss Semco shall not be held responsible for any special, indirect, consequential, punitive or exemplary damage or loss, which might arise out of any breach of warranty, faulty Product, delay in the delivery of the Product, Product liability, recall or otherwise irrespective of the cause, including, but not limited to, loss of profit and loss of goodwill.

#### 13. Mandatory Liability

Nothing in these Terms (including but not limited to the exclusions and limitations in clause 11 and 12) shall operate so as to exclude or limit the liability of either party to the other for death or personal injury arising out of its negligence, fraudulent misrepresentation or for any other liability which cannot be excluded or limited by law.

#### 14. Notice of Claims

Claims or complaints as to defects and/or delay in delivery of the Products or other claims shall be submitted in writing or email by Customer to Danfoss Semco without undue delay.

#### 15. Intellectual Property Rights

If the Product is delivered with embedded software, Customer obtains a non-exclusive, software license in form of a right of use to the software solely for the purposes set out in the applicable specification of the Product. Aside from this, Customer obtains no rights in form of license, patent, copyright, trademark or other proprietary right connected to the Products. Customer shall not obtain any rights to source codes to such software.

#### 16. Restraint on Resale and Use for Certain Purposes

Danfoss Semco products are produced for civilian use. Customer is not allowed to use or to resell the Products for purposes, which have any connection to chemical, biological or nuclear weapons or for missiles which are capable of delivering such weapons. Customer is not allowed to sell the Products to persons, companies or any other kind of organization if Customer has knowledge of or suspects that said persons or entities are related to any kind of terrorist or narcotics activities. The Products may be subject to legal regulations and restrictions and may therefore be subject to restrictions in case of sale to countries/customers covered by export and import ban. These restrictions shall be observed in case of resale of the Products to such countries/customers. Customer is not allowed to resell the Products if there is doubt or suspicion that the Products can be used for the purposes mentioned in the preceding paragraph. If Customer receives knowledge of or suspects that the conditions in this clause have been violated, Customer shall immediately inform Danfoss Semco.

#### 17. Force Majeure

Danfoss Semco is entitled to cancel orders or suspend delivery of Products and shall not be liable for any non-delivery, faulty or delayed delivery which partly or wholly is caused by circumstances beyond Danfoss Semco's reasonable control, including, but not limited to, riots, civil unrest, war, terrorism, fire, insurrection, requisition, seizure, embargo or defects or delays in deliveries by sub-contractors, strikes, lockouts, slow downs, lack of transportation, scarcity of materials, sickness accidents in product testing, and insufficient supplies of energy. Any of Customer's contractual rights are suspended or become void in any such circumstances referred to in this clause. Customer is not entitled to any kind of damages or to make a claim whatsoever in case of cancellation or delayed delivery due to such circumstances.

#### 18. Global Compact

Danfoss Semco has joined the United Nations' Global Compact initiative which means that Danfoss Semco has undertaken to live up to 10 principles on human rights, employees' rights, the environment and corruption. These principles are listed in "Danfoss Code of Conduct for Suppliers" to be seen on [www.danfoss.com](http://www.danfoss.com). Therefore Danfoss Semco encourages the Customer to comply with these fundamental principles. For further information on Global Compact go to: <http://www.unglobalcompact.org>

#### 19. Partial Invalidity

If one or more of the terms and conditions in these Terms or any part of a term is deemed invalid, unenforceable, illegal or inoperable, the validity, enforceability, legality or operability of all further terms and conditions shall not be affected or diminished thereby.

#### 20. Disputes

Any dispute between the parties arising from or in connection with a purchase agreement governed by these Terms shall be settled pursuant to Danish law including the United Nations' Convention for the International Sales of Goods (CISG), with the exception of the conflict of law provisions.

Any dispute arising from or in connection with a purchase agreement governed by these Terms and which the parties themselves are unable to resolve shall be referred to and settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce, Paris ("Rules") by one or more arbitrators appointed in accordance with said Rules. Each party shall be entitled to seek appropriate injunction relief or any other

temporary measures. The parties may refer the enforcement of any arbitral award to any competent court. The seat of arbitration shall be Copenhagen, Denmark. English shall be the language to be used in the arbitration proceedings unless otherwise agreed between the parties. The arbitration proceedings and the arbitral award shall be confidential and involved persons on both sides are pledged to secrecy.

**Danfoss Semco A/S, August 2015**