



VILLIAM PETERSEN

TANDHJULSFABRIKEN HORSENS A/S

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TERMS OF SALES AND DELIVERY FOR VILLIAM PETERSEN TANDHJULSFABRIKEN HORSENS A/S

1. General

- 1.1 These sales and delivery terms apply to all agreements and contracts concluded with Villiam Petersen Tandhjulsfabriken Horsens A/S (hereafter referred to as "VP"), including agreements about delivery of products, spare parts, repairs, guidance/advising, etc., to the extent that these have not been departed from or modified entirely or partially by other written agreement.

2. Basis of Agreement

A final offer from VP and buyer's acceptance thereof form the complete basis of agreement between the parties unless the offer explicitly refers to other written materials.

3. Product information

- 3.1 Data contained in the product information are binding only to the extent the basis of agreement makes explicit reference thereto, in accordance with clause 2.

4. Advice

- 4.1 Any advice or guidance from VP is purely indicative, and VP assumes no liability for advice given.

5. Delivery

- 5.1 Delivery is EXW (ex works), unless otherwise agreed in writing.
- 5.2 Interpretation of delivery rules must be in conformity with the INCOTERMS rules applicable at the time of conclusion of the Agreement.

6. Delivery time

- 6.1 The stated delivery time is set by VP and requires at the same time that buyer and any other subcontractors of the latter have fulfilled all agreed terms and, in cases where working is necessary, timely to have handed over the necessary materials, technical data, and other relevant information to VP.

7. Prices

- 7.1 All prices agreed are based on the level of material prices, on the part of VP, and other costs at the time of the conclusion of the agreement.
- 7.2 If increases in raw material prices or relevant currency of more than 10 % have occurred from the time of conclusion of the contract and to delivery, VP is entitled - in writing - to adjust the agreed prices by the increase in question.
- 7.3 In addition to the agreed price, VP is entitled to demand payment for work necessary to carry out as a result of the fact that material, technical information, or other information from buyer to VP has turned out to be incomplete or erroneous.



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8. Payment

- 8.1 If delivery cannot take place owing to buyer's circumstances, the purchase price is due to be paid on the date on which VP has notified delivery.
- 8.2 If the buyer does not pay on time, any agreed discounts will lapse.
- 8.3 If the buyer does not pay on time, VP is entitled to be paid an interest rate of 2 % per commenced month from the due date until actual payment.
- 8.4 If the buyer has not paid the due amount after one month, VP is entitled to withdraw from the agreement and to claim compensation by written notification to the buyer, in accordance with the general rules of Danish law.
- 8.5 Is the buyer in default on payment of previous deliveries or separate orders, VP has the right not to deliver before the default has been remedied by the buyer fulfilling the due payment obligations.

9. Right of lien and right of stoppage in transit

- 9.1 If the buyer does not pay on time, or if VP has reason to believe that the buyer will not be able to pay on time, VP can exercise his right of lien as security for any claim against the buyer (due as well as undue), just as VP can stop execution of the work free from liability unless the buyer provides adequate security immediately.

10. Limitation of liability

- 10.1 VP's liability shall be limited to the sum of the agreed price between buyer and VP for the work carried out by VP in relation to the individual order.
- 10.2 If VP has received material from buyer for further processing, VP's liability for damages to processed products and for losses the buyer may suffer as a result of such damages is limited to the agreed price of VP's working. Only the part of the agreed price that relates to the part/component actually damaged should be included in the calculation.
- 10.3 VP cannot be held liable for damage to a part or loss on a part,
- a) that VP's product or service has been made part of, incorporated in, assembled with or in other way connected to,
 - b) that VP's product or service has been processed for, used for the processing of, or
 - c) that VP's products or services are used for manufacturing of, processing of, or for any other type of treatment.
- 10.4 VP cannot be held liable for operating losses, loss of profits, or similar indirect losses suffered by the buyer, which was due to an act of VP, including delays or defects in the products delivered from VP. This applies to all deliveries from VP, including delivery of products, spare parts, repairs, services, advising, etc.
- 10.5 VP is not liable for faults and defects justified on grounds of the technical data, specifications, or other details submitted to VP by the buyer or for faults and defects in delivered material from buyer, unless VP has been grossly negligent.
- 10.6 On any purchase involving an individual processing and/or working of the purchased products based on requirements defined by the buyer or by buyer's customer directly, VP shall accept no liability other than delivering the purchased products in the usual quality in relation to material and processing.



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10.7 If the purchased products are to be incorporated into buyer's products or the product(s) of buyer's customer, and the purchased products prove not to function satisfactorily in these products, then the buyer shall bear the liability if the purchased products fulfil the agreed specifications.

11. Delay

11.1 In the event of a delay, the buyer can require delivery by written notification to VP and set an ultimate, reasonable delivery time which cannot be shorter than four weeks from receipt of the notification.

If VP does not deliver within the prescribed period, and this cannot be attributed to the buyer, the buyer can withdraw from the agreement by written notification to VP as regards the part of the purchased products that cannot be taken into use as required. On withdrawal, VP's liability is limited to the agreed price between buyer and VP, in accordance with clauses 10.1 and 10.2.

11.2 In case of a delay, the buyer has no other remedies than the right of withdrawal set out in clause 11.1.

11.3 If the buyer does not fulfil the agreed terms on time, including the handing over of necessary materials for further processing, technical data, and other necessary information to VP, no delays can occur on the part of VP.

11.4 If the buyer fails to comply with the terms, VP is entitled to require that the buyer fulfils the terms and to set a reasonable time limit which cannot be shorter than one week from receipt of the notification. If the buyer does not fulfil the terms within the prescribed period, VP is entitled to withdraw from the agreement by written notification and to claim compensation in accordance with the general rules of Danish law.

12. Defects

12.1 The buyer must examine the delivered products on delivery and before use in order to see whether the purchased products are as agreed upon. If the buyer does not examine the purchased products, his right of complaint to VP for defects that could have been established by such an investigation will lapse.

12.2 The buyer must notify VP of a defect in writing without undue delay after defects have been found, and in no case later than two weeks after the defect has appeared. The complaint notice must contain a description of the defect and its extent. If the buyer does not complaint in due time, his right of complaint lapses.

12.3 However, VP's liability can only include defects that have appeared no later than one year from delivery.

12.4 If the purchased products are used more intensively than agreed or could be assumed at the conclusion of the agreement, or the purchased products are used for a purpose other than that specified at the conclusion of the agreement, the buyer's right of complaint will lapse.

12.5 Upon receipt of written notice from the buyer of defects for which VP is liable, pursuant to clause 12.2, VP must remedy the defect within a reasonable time. It should be noted that VP can only be liable for remedying defects that can be performed by VP under the original agreement of the parties. If the defect thus requires production, processing, or working by parties other than VP, VP is only obliged to remedy the part that VP has previously performed. The buyer is thus obliged to redeliver materials to VP before VP can make such remedy.

The remedy will be carried out at VP's factory. If the purchased products are not located at VP's factory, the buyer is obliged to pay VP's costs of remedying the defect at the location of the purchased products.



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- 12.6 If the buyer has given notice in accordance with clause 12.2, but it turns out that there is no defect for which VP is liable, VP is entitled to reimbursement for the work and costs incurred by the complaint to VP.
- 12.7 If VP does not fulfil the obligations in accordance with clause 12.5 within a reasonable time, the buyer may send a written notice giving VP a time limit of not less than two weeks for fulfilment. If the deadline is not met, the buyer may:
- Have the defects remedied at VP's expense as VP's liability in this case is limited to the agreed price for the purchased products between buyer and VP, pursuant to clause 10, provided also that the buyer has the defect remedied in a reasonable and good manner.
 - Require an appropriate reduction but not more than 15 % of the agreed purchase sum. Only the part of the purchase price related to the specific defects should be included in the calculation.
 - Cancel the order if the defect is significant. Upon cancellation, VP's liability is limited to the agreed price for the purchased products between buyer and VP, pursuant to clause 10.
- 12.8 If the defect can be remedied only by delivery of replacement goods, the time limit for the replacement delivery from VP will be VP's usual production time or processing time for the material in question plus two weeks, notwithstanding clause 12.7, as the time shall be calculated only from the day of VP's receipt of material for processing or working from the buyer if VP's delivery of replacement goods depends upon it. If the delivery of replacement goods requires production, processing, or working by parties other than VP, the buyer assumes liability thereof.

13. Product liability

- 13.1 The buyer must indemnify VP to the same extent as VP is liable to third parties for such damage and loss for which VP is not liable towards buyer, pursuant to this clause 13.
- 13.2 VP is not liable for any damage caused by the purchased products while the buyer is in possession thereof.
- 13.3 VP is not be liable for any damage caused by the purchased products to products manufactured partially or totally by the buyer, or to products containing the material, or for damage caused by the product as a result of the purchased products.
- 13.4 Under no circumstances is VP liable for capital loss, including operating loss, lost time, loss of profits, and similar indirect losses.
- 13.5 The buyer must accept to be sued at the same forum that would deal with a potential product liability case against VP.
- 13.6 If a third party makes a claim against buyer on the grounds of product liability related to the purchased products, the buyer must immediately notify VP thereof.

14. Personal data

- 14.1 VP is entitled to process and store personal data relating to contact persons of the buyer, e.g. name and contact information.
- 14.2 VP uses the necessary personal data in connection with its performance of its obligations to buyer.
- 14.3 Where consent is required by law with regard to the processing of information, this will be obtained separately for further use in connection with settling the differences of the Parties.
- 14.4 VP will keep personal data for as long as the business relation with buyer exists.
- 14.5 Where required by mandatory law and provided that the necessary conditions are met, the buyer as a natural person has the right to get access to, correct, inquire about, or oppose the processing of the buyer's personal data.



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14.6 The at all times applicable Privacy Policy can be found on the company homepage www.tandhjulsfabriken.dk or through contact to the administration.

15. Force majeure

15.1 VP is not liable for fulfilment of agreed obligations owing to force majeure if they prevent the performance of the agreement or make the fulfilment unreasonably burdensome for VP.

Force majeure circumstances may include the following events, but are not limited to: machine breakdown, fire, war, mobilization or summons for military service on an equivalent scale, seizure, exchange restrictions, riots and disturbances, lack of means of transportation, general scarcity of goods, motive power restrictions, power failure, strikes, as well as defects or delays in deliveries from subcontractors.

15.2 If a conforming or timely delivery is temporarily impeded due to one or more of the force majeure events referred to in clause 15.1, the delivery obligation is suspended for the period during which the force majeure situation exists.

15.3 If VP intends to invoke force majeure, VP is obliged to notify the buyer without undue delay, stating the reason and the time the impediment is expected to last.

15.4 If a force majeure situation in accordance with clause 15.1 prevents the agreement from being fulfilled for more than 6 months, VP is entitled to withdraw from the agreement by written notification to the buyer, without the buyer having right to remedies for breach of agreement against VP.

16. Insurance

16.1 VP has taken out an appropriate professional insurance and product liability insurance.

17. Disputes

17.1 Agreements between VP and buyer are governed by Danish law. CISG and rules of conflict do not apply.

17.2 Any dispute arising out of this agreement between VP and the buyer shall be settled by the ordinary courts of the domicile of VP.