

Terms of sale and delivery

1. General Terms

- 1.1 These general terms of sale and delivery (the Terms) shall apply to the sale and delivery of products and spare parts (Products) supplied and delivered to any customer (the Customer) by Cylindric Denmark A/S, CVR no. DK 19828328, (Cylindric). The Terms shall apply without regard to any of the Customer's additional and/or conflicting terms set out in purchase orders or other communications from the customer. Stipulations that diverge from or supplement these Terms shall only be applicable to the extent that they have expressly been accepted by Cylindric in writing.
- 1.2 In the Terms, Cylindric and the Customer are jointly referred to as the Parties, and individually as a Party.
- 1.3 Cylindric shall supply Products to the Customer, and the Customer shall receive Products and pay Cylindric for them in accordance with these Terms.
- 1.4 Delivery of the Product to the Customer in accordance with these Terms is not an indication that the Customer acquires exclusivity with regard to these Products.

2. Purchase orders

- 2.1 The Customer shall send purchase orders to Cylindric electronically or by fax. All purchase orders sent by the Customer shall as a minimum specify the product type and quantity, the place of delivery and the desired delivery date. Purchase orders shall not be binding for Cylindric until Cylindric has accepted the purchase order in writing. Cylindric shall accept the purchase order with an order confirmation within 5 (five) working days after receiving it. Cylindric shall not be obliged to accept a purchase order.
- 2.2 All details of product information, price lists, place and date of delivery and other data set out in catalogues, advertisements, graphic material and the like shall only be binding to the extent that is expressly referred to in the order confirmation. All offers, including price offers, from Cylindric shall apply for 14 (fourteen) days from the date they are sent, unless otherwise stated in the offer.
- 2.3 The Customer shall within a reasonable time give Cylindric all details and materials that may be necessary for Cylindric to deliver Products in accordance with the agreement between the parties. The Customer shall vouch that all information given to Cylindric is correct.

3. Prices and payment

- 3.1 All prices shall be excluding VAT and excluding freight, packaging, import duties, tariffs, environmental supplements etc. unless otherwise agreed between the Parties.
- 3.2 Payment terms shall be agreed upon between the Customer and Cylindric.
- 3.3 If the Customer delays payment for the Products, interest on the overdue payment shall be added, amounting to the officially fixed bank rate (calculated according to the interest Act) plus 8 % (eight per cent) per annum of the due amount, with the addition of a reminder fee, until full payment has been made by the Customer.
- 3.4 Cylindric shall be entitled to require the Customer to present financial information before entering into an agreement on payment terms, and the Customer shall accept the obligation to comply with reasonable requests for information from Cylindric.
- 3.5 If in Cylindric's opinion the Customer's financial position has deteriorated, Cylindric shall be entitled at any time unilaterally to alter the payment terms under clause 3.2. Cylindric may thus without notice require the Customer to present a bank guarantee, implement a letter of credit, find security or provide a similar guarantee.

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3.6 If the Customer does not fulfil its obligation to pay, Cylindric shall be entitled to withhold all or any purchase orders until the Customer pays. Cylindric shall additionally be entitled to cancel the agreement with the Customer and annul any purchase orders which are not yet fulfilled by both Parties.

3.7 Cylindric shall be entitled at any time to set off its debts to the Customer in the Customer's debts to Cylindric, regardless of whether the Customer's debt is due for payment or not.

4. Delivery of Products

4.1 Products shall be delivered in accordance with applicable customer specifications and according to the delivery plan agreed between the Parties.

4.2 Out of consideration for manufacturing, Cylindric reserves the right to deliver the quantity stated in the order confirmation with a variation of +/- 5 %.

4.3 Any alteration of the purchase order shall not become binding until it has been confirmed in writing by Cylindric. The Customer shall accept that alterations in the purchase order may result in postponement of the delivery. Cylindric shall not be liable for postponement due to the Customer's alteration of the purchase order.

4.4 Delivery up to 1 (one) week after the agreed delivery date shall be considered delivery on time.

4.5 Delivery may be postponed to the extent that the Products are delayed because of third-party inspections.

4.6 If the Products are not delivered on time, see clause 4.4, and there is essential delay, the Customer shall be entitled to cancel the agreement by notifying Cylindric in writing with regard to the delayed part of the delivery. If Cylindric's delivery is delayed, cancellation shall be the Customer's only remedy for non-fulfilment.

4.7 Unless otherwise agreed between the Parties, Products shall be delivered EXW (Incoterms 2010).

4.8 The Customer shall not be entitled to annul purchase orders issued by the Customer itself.

4.9 Cylindric may make use of subcontractors to fulfil any purchase order without the prior consent of the Customer.

5. Acceptance of Products

5.1 Immediately on reception of Products, the Customer shall inspect them for any visible and immediately identifiable defects. The customer shall be deemed to have accepted the Products, unless within 30 (thirty) days after delivery the Customer has rejected the Products in writing, stating the reason.

5.2 The return of Products which the Customer has rejected after inspecting the Products in good time shall be at the Customer's own expense. When returning Products, they shall be packaged suitably for transport.

6. Liability for defects

6.1 The Customer shall make a complaint within a time limit stated in clause 5.1 if the Products have visible defects (i.e. defects which the Customer could or should have seen on delivery). Cylindric shall be liable for concealed defects for a period of 6 (six) months after delivery of the Products.

6.2 If the Product is defective, Cylindric shall be entitled to choose between (i) giving a reasonable reduction in the purchase price for the Product, (ii) refunding the purchase price for the Product with the deduction

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of a reasonable amount for the Customer's use of the Product, (iii) repairing the Product, or (iv) replacing the supplied Product under the assumption that the Customer returns the defective Product and related documents to Cylindric within 14 (fourteen) days after the Customer has discovered the defect or deficiency. If the Customer discovers a defect or deficiency, the Customer shall make a complaint to Cylindric immediately; see also clause 6.1. If the Customer does not make the complaint in due time, the Customer shall lose entitlement to claim any remedy for non-fulfilment.

6.3 Cylindric's liability for any replaced or repaired Products shall lapse not later than 12 months after the date of the original delivery.

6.4 Unless otherwise agreed, transport of defective Products shall be at the Customer's risk and expense. Transport of repeat deliveries or repaired products shall be at Cylindric's risk and expense.

7. Limitation of liability

7.1 In the event of delay, defects, product liability or other situations arising from a delivery, Cylindric shall not be liable for any form of loss of profits, operational loss, processing costs, loss of earnings, loss of goodwill, loss of data, loss of contracts, indirect losses and/or consequential losses. Cylindric's liability may under no circumstances exceed 70 % (seventy per cent) of the order value of the Product, regardless of how the claim arises, or whether the claim arises from contractual or tortious damage.

7.2 Furthermore, Cylindric shall not be liable for costs in connection with dismantling, demounting, reinstallation etc. If any demounting and installation in connection with Cylindric's action to remedy defects involves intervention in anything other than the Products delivered, the work and the costs thereof shall be of no concern to Cylindric.

7.3 Cylindric shall not be liable for claims made in consequence of Cylindric's compliance with the Customer's design, specifications or instructions, or of repairs, modifications or alterations carried out by parties other than Cylindric, or of use of the Products in combination with other products or services.

7.4 Furthermore, Cylindric shall not be liable for defects caused by defective or incorrect maintenance on the Customer's part, and Cylindric's liability shall not cover ordinary wear and tear or incorrect storage or use of the Products.

7.5 Cylindric shall not be liable for taxes, VAT or duties which the Customer or Cylindric may be required to pay in connection with transport of containers and accessories for them between Cylindric and other countries either within or outside the EU. If such costs are charged to Cylindric, the Customer shall be invoiced for them. Please refer also to clause 14.

8. Product Liability

8.1 Cylindric shall only be liable for personal injury if there is evidence that the injury resulted from the product delivered by Cylindric or as a result of an error or defect in work carried out by Cylindric, and according to Danish law or legal practice entails product liability. Cylindric's product liability shall be limited to DKK 20,000,000 per claim and per year, assuming in addition that the damage is covered by insurance.

8.2 The Customer shall indemnify Cylindric to the extent that product liability to third parties is imposed on Cylindric with regard to losses for which Cylindric is not responsible to the Customer according to these Terms.

8.3 Cylindric shall not be liable for damage to the Customer's real property or chattels. Neither shall Cylindric be liable for damage to products manufactured or supplied by the Customer, or products which the Customer's products form a part of. Apart from damage claims included under the coverage taken out by

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Cylindric for ingredients and components, of up to DKK 10,000,000 per claim and per year, Cylindric shall not be liable for damage to the Customer's products in which the supplied Products may be incorporated.

- 8.4 The Customer shall be obliged to inform Cylindric without undue delay if a third party presents any claim against the Customer regarding product liability which concerns the Products.
- 8.5 Cylindric's product liability shall otherwise be limited as set out in clause 7.1.

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9. Force majeure

- 9.1 Cylindric shall not be liable for delays or any other non-fulfilment, to the extent that the non-fulfilment is due to circumstances beyond Cylindric's reasonable control, such as industrial conflicts and any other circumstances over which Cylindric has no control, such as fire, war, extensive military mobilisation, riots, requisitioning, confiscation, embargo, restriction of the use of operating power, restrictions on currency or export, epidemics, natural disasters, extreme natural phenomena, acts of terror, riots and unrest, lack of means of transport, general shortages of goods, scrapping of major consignments of work, loss of data lines or other non-fulfilment resulting from third parties' IT infrastructure, or deficiencies or delays of deliveries from subcontractors due to any of the circumstances mentioned in this clause.
- 9.2 In situations of force majeure, Cylindric's obligations shall be postponed on a day-to-day basis corresponding to the period during which the force majeure prevails. Cylindric's obligations shall be reinstated when force majeure no longer applies. In the event that force majeure prevails in a continual period of more than 30 (thirty) days, either Party shall be entitled to terminate the Parties' agreement at 30 (thirty) days' notice.

10. Intellectual property rights

- 10.1 All drawings and technical documents for use when manufacturing and/or renovating the Products, or parts of them, which may have been handed over to the Customer before or after the agreement was entered into shall remain the property of Cylindric. Without Cylindric's permission, they may not be copied, reproduced, handed over to third parties or in any other way brought to the knowledge of third parties.
- 10.2 All drawings and technical documents for use when manufacturing and/or renovating the Products, or parts of them, which may have been handed over to Cylindric by the Customer before or after the agreement was entered into shall remain the property of the Customer. Without the Customer's permission, Cylindric may not use them for any purpose other than to fulfil the agreement. Neither may they be handed over by Cylindric to third parties or in any other way brought to the knowledge of third parties.
- 10.3 The Customer shall be obliged to indemnify Cylindric for all consequences of proceedings which may be brought against Cylindric as a result of Cylindric's manufacture of Products covered by any patent, pattern, registered trade mark or other sole rights, if the manufacture has followed the Customer's specific instructions, drawing, sample, model, tool or other technical equipment.

11. Termination

- 11.1 Cylindric may at any time terminate the agreement and require compensation according to the ordinary provisions of Danish law, if the Customer essentially breaches the terms and conditions or any other agreement between the parties, including the Customer's failure to fulfil its obligations to pay.
- 11.2 Either Party may cancel the agreement immediately by notifying the other Party in writing, if the notified Party is in breach of the agreement and does not remedy the breach within 30 (thirty) days after receiving written notification of the breach from the Party which has not breached the agreement.
- 11.3 Anticipated breach shall not entitle the Customer to cancel the agreement between the Parties.
- 11.4 The Customer shall pay for all Products delivered by Cylindric and pay costs incurred until the agreement expires.

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12. Confidentiality

- 12.1 The Customer shall maintain complete confidentiality concerning the agreement between the Parties, and may not make use of or pass on information concerning the agreement and/or Cylindric's business secrets, including relations with third parties, unless such information is known to the public or the Customer can prove that the Customer has rightfully obtained such information from a third party.

13. Disputes

- 13.1 These terms and conditions, the agreement between the Parties and any dispute or disagreement which may arise from them, including work carried out by Cylindric's subcontractors according to the agreement, are subject to Danish law, apart from the rules in Danish law on international civil law and CISG.
- 13.2 If any dispute arises between the Parties in connection with the agreement, they shall seek to settle it amicably by loyal negotiations, including negotiations between the management of each of the Parties.
- 13.3 Any dispute between the Parties which cannot be settled by negotiations between the Parties shall be finally settled in the ordinary courts, with the court in Aarhus as the venue.

14. Special provisions regarding management of temporary transfer of goods

- 14.1 When companies from other EU countries transport containers for repair or renovation by Cylindric, the company abroad is as a point of departure obliged to register for VAT in Denmark. However, VAT registration can, when certain conditions are fulfilled, be avoided in the case of temporary transfer of goods, when the container is transferred from another country in the EU to Denmark, renovated, and returned to the sender. There may be consequences for both parties.
- 14.2 If the conditions for temporary transfer of goods are not complied with, it may mean that the customer must register for VAT, and that Cylindric may be required to invoice the customer with the addition of Danish VAT.
- 14.3 To comply with the rules for temporary transfer of goods to Denmark, the container must 1) be transported back to the country from which it originally came, and 2) it must be possible to document the transport to and from Cylindric and back to the customer. If a container is transported to Cylindric, e.g. from Sweden, then the container must be transported back to Sweden after renovation. The condition cannot be considered fulfilled if, after renovation, the container is sent to a different EU country from the one it came from.
- 14.4 It is the customer's responsibility at any time to ensure that the conditions for temporary transfer of goods are complied with, and to familiarise itself with the rules to ensure compliance. It is not stated unambiguously in Danish practice how the transport to and from Denmark is to be documented. Attention is drawn, however, to the harmonised rules for transport documentation for VAT-exempt deliveries within the EU, which can also be expected to apply to temporary transfer of goods.