

# GENERAL TERMS OF SALE AND DELIVERY FOR VL STAAL a/s



## 1. GENERAL

- 1.1 These Terms of Sale and Delivery shall apply to any sale of products/services (deliveries) by VL Staal a/s (in the following referred to as VL) unless otherwise specified in a separate document which has been explicitly accepted by VL. Additions and amendments as per e.g. any terms of purchase on the part of the Purchaser are not accepted.
- 1.2 Unless otherwise explicitly stated, any offer made shall be binding on VL for only 30 days.

## 2. PAYMENT

- 2.1 Payment shall be made not later than 30 days after delivery has been effected. In the event of delay in payment, interest is payable at the rate of 1.5% for each month started.

## 3. DELIVERY AND ERECTION

- 3.1 Delivery takes place ex works, Esbjerg according to the Incoterms applicable at the time of concluding the contract.
- 3.2 If delivery is postponed owing to the Purchaser's circumstances, VL is entitled to take such measures as are deemed necessary to store the product at the Purchaser's expense and risk. Regardless of any postponement of delivery, VL is entitled to send its invoice as if delivery had been effected according to agreement.
- 3.3 If VL is to be in charge of erection, the Purchaser shall cover all VL's costs related hereto, inclusive of wages, accommodation, fitters' transport to and from the site of erection, waiting time and crane. Moreover, well in advance of the erection, the Purchaser shall make the necessary preparations, inclusive of casting of base, ensuring water and power access etc., at the Purchaser's expense.

## 4. RETENTION OF TITLE

- 4.1 All goods delivered shall remain the property of VL until payment has been made in full by the Purchaser for all services/products delivered.

## 5. DRAWING AND TECHNICAL DOCUMENTS ETC.

- 5.1 If, prior to starting to manufacture the product, VL forwards drawings and calculations to the Purchaser, the Purchaser is obliged to check carefully such drawings and calculations so that the Purchaser shall not be able to raise any claim against VL once the product has been manufactured, if such claim is based on circumstances that could have been complained of to VL on the basis of careful and diligent checking of the drawings and calculations forwarded.
- 5.2 VL reserves the right to make any constructional changes if such changes do not alter the use of the product.

## 6. QUALITY ISSUES

- 6.1 The weight specifications in offers and order confirmations are to be seen only as suggested and approximate specifications.
- 6.2 On visible parts manufactured in stainless steel, welding seams are lightly brushed and pickled.
- 6.3 Parts that have been galvanized may have an uneven surface structure which will also be visible after any subsequent coating with paint.
- 6.4 If parts are to be coated with paint, the Purchaser may freely choose the top-coat colour according to the RAL colour chart, with the exception, however, of metallic or fluorescent colours. If the latter colours are chosen, reservation is made as to the appearance of the coat.
- 6.5 Reservation is made as to vacuum in flue gas inner liners that are normally not designed to resist this.
- 6.6 For assessing warranties on surface treatment, the following standards are used:  
blistering: ISO 4628/2 – degree 2  
rusting: ISO 4628/3 – degree Ri 2  
cracking: ISO 4628/4 – degree 2  
flaking: ISO 4628/5 – degree 2

## 7. TIME FOR DELIVERY, DELAY

- 7.1. The time for delivery appears from VL's order confirmation and shall apply provided that the Purchaser punctually fulfils its contractual obligations such as prepayment, approval of drawings and calculations, and, upon request, punctually specifies all the details necessary for the delivery. If the Purchaser does not fulfil its obligations or if a force majeure-like situation arises, VL shall be entitled to a reasonable extension of the time for delivery in consideration of VL's other manufacturing activities.
- 7.2 If the time for delivery is extended by more than 30 days owing to VL's circumstances, the Purchaser is entitled to claim liquidated damages of 0.5% of the purchase sum for the delayed part of the delivery for each full week of delay in excess of 30 days. The liquidated damages shall not exceed 7.5% of the purchase sum.

- 7.3 If the Purchaser is entitled to maximum liquidated damages according to the above and the product is still not delivered, the Purchaser is entitled to demand delivery and to specify a deadline of at least 2 weeks through written notification to VL. If VL then does not deliver within the deadline specified and if such non-delivery is not due to circumstances for which the Purchaser is responsible, the Purchaser is entitled to cancel the contract as far as the non-delivered part is concerned through written notification to VL.
- 7.4 Any claim for liquidated damages shall be made in writing not later than 2 weeks after delivery has been effected as the right to make such claim otherwise lapses. Apart from liquidated damages and the right to cancel the contract, the Purchaser shall not be entitled to raise any claim of whatever nature owing to delay against VL.

## 8. LIABILITY FOR DEFECTS

- 8.1 Complaints of the goods delivered owing to quantity, weight or faulty design, materials or workmanship shall be made only if the Purchaser notifies VL of the defects in writing without undue delay, and the period within which notice must be given of any defects in the products expires after 2 years from the date of delivery in any case.
- 8.2 The Purchaser shall without undue delay give VL the opportunity to establish the defect through inspection and upon VL's request the Purchaser shall make the product complained of or samples thereof available to VL.
- 8.3 VL's duty to deliver products and services free from defects lapses if damage arises as a result of natural wear and tear, through insufficient maintenance or negligent handling, disproportionate stress, other natural impact or through disregard of VL's technical guidelines or instructions for erection.
- 8.4 In the event of defects, VL's obligation covers only wages and materials directly related to remedying the defects. Other than that, the Purchaser shall have no remedies resulting from defects, and the Purchaser is thus not entitled to e.g. claim damages for loss of profit or coverage of any claims raised against the Purchaser by other parties as a result of defects in the delivery.

## 9. LIABILITY FOR DAMAGE TO PROPERTY (PRODUCT LIABILITY)

- 9.1 The Purchaser shall indemnify VL to the extent that VL incurs liability towards any third party in respect of any damage and any loss for which VL shall not be liable towards the Purchaser according to clauses 9.2 and 9.3.
- 9.2 VL shall not be liable for loss or damage caused by the product:
  - a. to movable or immovable property where the damage or loss occurs while the product is in the Purchaser's possession;
  - b. to products manufactured by the Purchaser or to products of which the Purchaser's products form a part or for loss or damage to any movable or immovable property caused by these products because of VL's product.Under no circumstances shall VL be liable for loss of production, loss of profit or any other consequential economic loss. The said limitations in VL's liability shall not apply if VL is guilty of gross negligence.
- 9.3 Under no circumstances shall VL's liability exceed DKK 5,000,000 inclusive of interest and cost per damage.

## 10. APPLICABLE LAW AND VENUE

- 10.1 Any dispute arising out of or in connection with the contract concluded or the product delivered shall be settled according to Danish law and at VL's option either by arbitration according to the Danish Act on Arbitration or by the ordinary courts of law in Denmark.

## 11. OTHER PROVISIONS

- 11.1 If any provision in these General Terms of Sale and Delivery is or becomes invalid, this shall not affect the remaining provisions. In such case the invalid provision shall be replaced by provisions reflecting to the widest extent possible what was originally intended.