

PON POWER'S TERMS OF DELIVERY FOR PARTS AND SERVICE

1. VALIDITY

These general terms apply unless otherwise provided for by written agreement. The terms may be changed by Pon Power (hereinafter "PP") without notice.

2. OFFER

All offers are without obligation. PP is only obliged to deliver when PP's order confirmation has been communicated to the buyer.

3. SPECIFICATIONS AND DRAWINGS

Illustrations, specifications and technical data such as weight, dimensions, volume, performance, power requirements, etc. in brochures and other promotional materials are for information only, and should only be taken as a guide. The drawings included with the tender and delivery may not be reproduced. Similarly, these and possible accompanying artwork and printed matter must not be made available to competing firms. In case the tender is not accepted, please return all design drawings.

4. DELIVERY TIME AND DISPATCH

All delivery times are approximate and announced with the delivery times current for PP's suppliers and subject to the item not being sold before order from customer.

5. FORCE MAJEURE

Force majeure comprises every obstacle governed by section 24 of the Sale of Goods Act, both when such obstacles are general and when they impact PP or the plant selected to process the sales item or its subcontractors. Force majeure also comprises traffic difficulties which impact the seller's assumed mode of transport or road, and rejection of large work pieces, reduction in the supply of power, labour conflict, military mobilisation, requisition, confiscation or currency, export and import restrictions, travel restrictions or dissuasion of travel by the Ministry of Foreign Affairs or similar institutions, or other events outside the control of PP that PP could not reasonably be expected to take into account at the time of entering into the agreement or to avoid or overcome the consequences of such events.

6. DELIVERY AND TRANSFER OF RISK EXW (EX WORKS)

6.1. Delivery terms and conditions are Ex Works (Incoterms®2010). When PP is arranging the delivery, delivery has taken place when the sold item has arrived at the customer's address or any other agreed delivery location.

6.2. Unless otherwise agreed in writing, loading and dispatch is at the buyer's risk and expense and PP cannot be held liable for any irregularities, including delays, loss or damage to the shipment. Upon written request, PP will be able to help arrange shipping and insurance on behalf of the buyer and at the buyer's expense and risk.

7. SALES LIEN

PP has sales lien in sold parts and equipment until the purchase price plus any interest and costs are paid in full. The buyer must not actually or legally dispose of sales items in a way that can be damaging to PP's security. Cheques or other payment instructions are not considered as payment until they are fulfilled in their entirety.

8. PRICES

Unless otherwise agreed in writing, the price on the day of delivery applies. All prices comprise, unless explicitly specified, delivery EXW at PP's warehouses in Scandinavia. PP cannot be held responsible for changes in prices required due to price changes from factories and shipping costs and charges imposed by public bodies. In the case of tariff changes which are introduced before the product is imported, the difference is charged or credited to the buyer.

9. RETURN OF PARTS

9.1. All returns must be approved in advance by PP and be labelled with a return number. Parts returned must be new, in stock and in fully marketable condition. There must be no damage to the original packaging for each part returned. The parts shall be labelled with part number and a packing slip must be attached.

9.2. Parts that are not returned within 90 days, or which PP does not have in stock are not considered as returned goods, but as a repurchase which requires individual agreement.

9.3. Any agreements entered into regarding repurchase or incorrect shipments must be stated in the covering letter.

9.4. Small parts with a value of less than DKK 300 per part number/item number are not credited.

9.5. Parts of gasket sets and parts of complex units are not credited.

9.6. Return shipping is at buyer's risk and expense and crediting is based on PP's inventory of the parts received. Cash-on-delivery shipments billable to PP or equivalent will be rejected.

9.7. Returned parts that are not approved by PP are discarded unless otherwise expressly agreed.

9.8. When the returned good are received and approved by PP within 30 days after the delivery date, the customer will be credited 90% of the invoice value. For returned goods between 30 and 90 days after the delivery date, the customer will be credited 85% of the invoice value. Any discounts will be deducted before any return costs are calculated.

9.9. Returned goods which do not have a covering letter are considered as older than 90 days. The value is then determined in each case by PP and the amount credited to the buyer's account.

10. PAYMENT TERMS

10.1. Unless otherwise agreed in writing, the terms of payment are 30 days from invoice date. While work is ongoing or prior to the start of work, PP has the right to demand prepayment of up to 100% of the value of the estimated work, travel cost and usage of parts.

10.2. If payment is delayed, interest is charged pursuant to the Danish

law of overdue payments section 5 subsection 1. Payment is regarded as timely when it has been credited to PP's account no later than the due date.

11. DELAY AND RIGHT OF CANCELLATION

11.1. Should PP become aware that delivery will not take place within the indicative delivery time - or the guaranteed time - PP should notify the buyer about the delay, stating the reason for the delay, and if possible, provide a new delivery date.

11.2. In the presence of force majeure, cf. item 5, the delivery time is extended by the period of time in which the force majeure situation lasts.

11.3. If the agreed delivery time - guideline or guaranteed - is exceeded by 6 months or more, the buyer is entitled to rescind the purchase and receive any prepayments return. Customer is not in the context entitled to compensation from PP for its possible direct or indirect losses.

11.4. Upon the delivery of the product - or if the property in whole or in part can be supplied by a subcontractor - the purchaser only have the right to rescind the contract if PP can make right of withdrawal to his supplier. It is an assumption that the sales conditions from the supplying factory or subcontractor are communicated to the buyer.

11.5. These provisions apply in place of sections 21-28 of the Sale of Goods Act.

11.6. If PP cannot deliver within the delivery date specified for the customer, PP may terminate the agreement with the customer without any other economic consequences except PP's obligation to refund any advance payment.

12. COMPENSATION FOR DELAYED DELIVERY

12.1. No form of compensation is paid if a guideline delivery date is not met.

12.2. If the guaranteed delivery time is not met, normal compensation - unless otherwise agreed in writing - is paid (penalty for default) which is calculated as 0.5% per week of that part of the agreed purchase price that relates to that part of the sales item which cannot be used as intended because of the delay. If the amount upon which the penalty for default is to be charged exceeds DKK 100.000 the penalty for default is reduced to 0.25% per week.

12.3. The penalty for default is calculated for every week the delay lasts, counting from the day the delivery should have been made. The penalty cannot exceed 5% of the part of the purchase price that covers the part of the delivery which cannot be used as intended.

12.4. The buyer cannot claim any other form of compensation. Moreover, normal compensation lapses if it can reasonably be assumed that the buyer has not suffered any loss, for example because the buyer has not been ready to receive the delivery.

12.5. The sales item is deemed as delivered upon the transfer of risk, cf. item 6, or written agreement otherwise, even if PP must carry out correction work at a later date, cf. item 15.3 or make subsequent delivery of parts which are of less economic importance in relation to the delivery in full.

13. BUYER'S OBLIGATION TO RECEIVE DELIVERY, CANCELLATION ETC.

13.1. Cancellation of the service contract shall be made in writing. If notification of cancellation is received by PP later than 3 working days before the planned start-up, the buyer shall pay PP a cancellation fee equivalent to the cost of the first working day in accordance with the applicable hourly rates. In addition, the buyer shall always pay compensation for PP's costs for travel, equipment rental, etc. related to the commission and that PP is not free to cancel.

13.2. Cancellation of ordered parts requires the consent of PP. In the event of a cancellation, the buyer will be charged a cancellation/return fee equivalent to 20% of the agreed price of the item cancelled.

14. TERMS AND CONDITIONS FOR COMPLAINTS

14.1. For service performed by PP on engines and other equipment, PP is liable for faults/defects which demonstrably are caused by material or assembly faults within the following time period counted from the date of delivery or the end of the work: 6 months or 1500 working hours, whichever comes first. For spare parts, the right to complain applies for 6 months from the date of sale.

14.2. The buyer is obliged to investigate the sales item as soon as it is delivered and/or to check the work once it has been completed.

Any complaint relating to the delivery must be made in writing and no later than 8 days after the factors involved in the complaint have been or should have been discovered. All complaints shall be made on the complaint report form, enclosing full documentation and a description of the defect. The buyer has the burden of proving the existence of a contractual defect.

14.3. Assuming a timely, written, approved complaint, PP has the right, without undue delay, to remedy the defect. PP determines how the defect shall be remedied, including whether the improvement will be made using new parts, replacement parts or repair.

14.4. In the event of an approved complaint regarding parts, PP at its discretion will replace the defective parts, replacement parts and equipment with new or repaired parts. In the event of complaints regarding parts, replacement parts and equipment that the buyer himself has had fitted, PP only replaces the deficient part and not the expenses in connection with the consequential damages or other expenses for disassembly/assembly. All costs and risks associated with shipments shall be borne by the buyer.

14.5. In the event of an approved complaint regarding service work, PP covers the expenses for the rectification work and parts as well as PP's reasonable travel expenses (limited to travel costs to the original place of work/service), and reasonable accommodation costs when performing the work. It is assumed that the work is performed by PP's service workers during normal business hours or by others according

to a written agreement with PP. Extra costs for obligatory overtime work, or work not covered by the complaint shall always be met by the buyer. In all events, PP reserves the right to demand payment by the buyer for expenses incurred by PP if service workers are needlessly summoned or related to erroneous complaints.

14.6. Any costs associated with the insertion of engines or equipment in the workshop (e.g. the cost of repairs, transport or rent) is of no relevance to PP unless otherwise agreed in writing beforehand.

14.7. Replaced parts shall be returned to PP within 7 days after the repair date. If the part(s) are not returned as specified, any responsibility for PP ceases to exist and the buyer will be charged for all costs associated with repairs and/or sent replacement parts.

14.8. The buyer cannot make other claims in connection with alleged defects than the above-mentioned claim for rectification of defects.

14.9. PP's obligation is limited to the warranty and/or replacement. PP does not cover any damages (consequential damages) that the deficient delivery may have caused.

14.10. In any case of errors and/or defects, PP has no liability for the indirect loss which the errors and/or defects may have caused to the customer. With indirect losses mean loss of profits and other such consequential economic loss.

14.11. PP has no responsibility for errors, omissions or damage arising from age, wear and tear, use of unapproved lubricants, use of replacement parts, improper or unusual treatment or use, inadequate maintenance or overloading, etc. PP has no responsibility for errors, omissions, damage or loss caused by the buyer to have neglected his duty to mitigate losses or failed to complete work or actions that might limit the damage or loss.

14.12. If a sales item, including engines, are modified or repaired without PP's written approval, all costs regarding this connection are irrelevant to PP. If such change or repair takes place it absolves the responsibility of PP for any shortcomings in the delivery.

14.13. For replacement parts or labour, provided by PP in the context of repairing a defect that PP has responsibility for the warranty period expires while warranty period for the original delivery cf. item 14.1.

14.14. PP's liability for defects and/or faulty deliveries can only be asserted by the original purchaser.

15. PRODUCT RESPONSIBILITY

15.1. PP is only liable for injuries caused by defects in the originator if a defect is caused by errors for which PP is responsible under the general liability rules.

15.2. PP's liability is limited to DKK 10.000.000 per injury, and PP can never be held responsible for loss of profits or other indirect losses.

15.3. PP is only liable for defects in the delivered up to 6 months after delivery has taken place. To the extent that PP may be met with claims arising from the customer's use of delivered goods - including resales - the customer is obligated to indemnify PP from any claim to the extent that responsibility goes beyond the above limits. The customer is liable to be sued by the same court which hears the claim against the PP.

16. REQUIREMENTS REGARDING WORKPLACE AND WORKING ENVIRONMENT

16.1. If, pursuant to the agreement, PP is to perform work at the buyer's premises or other location outside PP's workshop, the buyer bears the responsibility and risk to ensure, no later than the agreed start date, that the workplace is fully secure and prepared and that the work can be performed in accordance with OHSAS 18001.

16.2. PP has no obligation to commence or carry out work that may involve unnecessary or unacceptable hazards or risks, or where the workplace is not fully secure or prepared. The buyer shall replace PP's expenses and losses resulting from the workplace not being secure, as specified in item 16.1, or prepared, in accordance with the agreement.

17. LIMITATION OF LIABILITY

17.1. With the exception of the duty to rectify and standardized compensation specified in items 12 and 15, PP is not responsible for compensation, discount or other direct, special, incidental or consequential damages, including but not limited to loss of income, loss of actual or anticipated profits, cash shortages, loss of anticipated savings, lost revenue, loss of sales, loss of goodwill or any consequential loss, including loss resulting from personal injury or death, damage to equipment or property, as well as any costs for repairs of such damages or loss, irrespective of whether the claim is based on breach of warranty, purchase liability or other legal basis.

17.2. Any compensation claims arising in connection with the present contract are in any event limited to the direct, documented loss, although never exceeding the invoice value of the work or parts to which the complaint relates, provided there is no other express written agreement. The buyer must in all cases document the losses suffered and that PP is responsible.

With the present terms & conditions PP has limited its liability for delays, defects, errors and product damage compared to the rules laid down by Danish law.

18. LEGAL VENUE AND CHOICE OF LAW

The agreement is subject to Danish law, regardless of what else may result from rules regarding choice of law. Copenhagen City Court is the exclusive legal venue for all claims against PP. The buyer approves the Copenhagen City Court or other legal venue in Denmark selected by PP, as a non-exclusive legal venue for all claims from PP against the buyer.

