

Appendix 1

CONDITIONS OF SALE AND DELIVERY



1. Application of Conditions

Unless otherwise agreed in writing all offers, orders and contracts are subject to the Conditions of Sale and Delivery printed herein. Unless expressly accepted in writing any qualification of these conditions contained in any written or printed document of the Purchaser shall be deemed to be inapplicable.

2. Quotations

Any quotation is valid for 30 days from the date indicated on the quotation. Any order relating thereto should be received within the said period of 30 days.

Any quotation does not include mechanical and/or electrical installations nor cost for starting up or authority acceptance.

3. Orders

Orders are only binding once our written acknowledgement exists and the delivery time is calculated from date of that acknowledgement. Where orders are to be manufactured to Purchaser's specific requirements these must be expressly stated in the order. EU Purchaser must state VAT registration number.

4. Prices

Unless otherwise stated all prices quoted are Ex Works (Incoterms 2000) and exclude all taxes, duties and any dues that any other authority than that of the country of origin may levy on the goods.

5. Payment

Payment is to be effected by an Irrevocable Letter of Credit, to be opened with order by a first class bank, advised through and confirmed by Den Danske Bank, Copenhagen, payable by it at sight.

All charges in connection with the opening and handling of the Letter of Credit are to be paid by Purchaser.

If the Purchaser fails to effect payment within the stipulated time we shall be entitled to charge interest from the day on which payment was due.

In the event of non-payment of any account when due, the invoiced value of goods already delivered shall immediately become due and payable without regard to credit terms previously agreed and we reserve the right to stop any further deliveries and cancel any contract for all or any part of deliveries not made, without prejudice to our rights already accrued under any such contract.

If delivery has been made before payment in full has been received, goods delivered shall to the extent permitted by the law of the country where the goods have been delivered, remain our property until such payment has been effected. If such law does not permit us to retain the title in the goods, we shall be entitled to the benefit of such other rights in respect thereof as such law permits us to retain. The Purchaser shall give us every assistance in taking any measures required to protect our right of title or such other rights as aforesaid.

6. Dispatch and Delivery

Delivery time is stated to the best of our ability. Delivery is effected at Purchaser's risk irrespective of whether the Purchaser or we have paid the transport costs. Unless a specific way of dispatch has been agreed, the transport will take place in the way we at any time find most suitable. Should a delay in transport be caused by the Purchaser the risk will be passed to the Purchaser on the date when the goods could have been dispatched.

In case of failure to deliver or delay in delivery, which is not covered by Clause 17, we shall in no event be liable for penalties, loss of profits, or any other indirect losses.

7. Export/Import License etc.

The Purchaser shall be responsible for obtaining in sufficient time and maintaining the validity of any required import license, exchange permit or any other governmental authorization. The Purchaser and we shall assist each other when such help is reasonably possible. We shall not be liable if any authorization from any government is delayed, denied, revoked, restricted or not renewed, and the Purchaser shall not be relieved thereby of his obligations to pay us for the goods or any other charges which are his responsibility under the terms of the contract.

8. Packaging

Packaging in dual layer cardboard boxes is included in our prices. Packaging in wooden crates is not included and will be charged separately. Spools may be returned at Purchaser's cost.

9. Dimensions and Drawings - Related Materials

Any information and specification concerning weights, dimensions, efficiency and technical data stated in catalogues, leaflets, advertisements, etc. constitute an approximate guide, and are only binding when expressly included in the written contract.

Any drawings and technical documents which are submitted by us to the Purchaser remain our exclusive property. They are entrusted only in connection with the use and maintenance of the goods. It is forbidden to utilize the drawings and the documents for any other purpose, particularly for imitation of the goods, and they may not be copied or reproduced or imparted or made available to a third party.

10. Faults and Defects

If within one year after delivery, goods supplied by us, appear to be defective and it can be proved that the defects are due to faulty design or production, the defective goods shall at our option be rectified or replaced as originally ordered. The Purchaser shall return to us any goods in which a defect covered by this Clause has appeared, for repair or replacement by us. Defects in quality in any delivery shall not be a ground for cancellation of the remainder of the order or contract. We shall in no event be responsible for consequential damages, loss of profits or other indirect losses.

11. Warranty

No warranty, expressed or implied, is given as to the life or wear of the goods supplied nor that they will be suitable for any particular purpose or for use under any specific conditions, unless such purpose or conditions are known or have been made known to us.

12. Systems

If we furnish the Purchaser with advice or other assistance which is not required by the terms of the contract or pursuant to any agreement resulting herefrom, the furnishing of such advice or assistance shall not subject us to any liability, whether in contract, warranty, tort (including negligence or patent infringement) or otherwise.

13. Indemnity

The Purchaser will indemnify us against all damages, penalties, costs and expenses to which we may become liable as a result of work done in accordance with the Purchaser's specification which involves the infringement of any Patent or Registered Design.

14. Product Liability

If damage or injury is caused by goods supplied by us, our product liability shall come into effect only in cases where it can be proved that the damage or injury is due to negligence on our part. We shall, however, at no time be liable for consequential loss, loss of profits or other indirect losses. Moreover we shall not be held liable for damage exceeding DKK 500,000.- to property and possessions including damage to products manufactured by the Purchaser.

Where in connection with the Purchaser's use, including resale, of the goods supplied, we incur liability to a third party, the Purchaser shall be bound to indemnify us to the same extent as our liability has been limited as stated above. The Purchaser shall be bound to accept litigation before the same court of law hearing the claim for damages brought against us as a result of damage alleged to have been caused by the goods supplied.

15. Claims

The goods must be examined immediately on receipt and any alleged defect in quality or deficiencies of quantity discovered on reasonable inspection must be set forth in writing and communicated to us within 14 days after receipt of the goods or invoice. Claims in respect to alleged defects must be accompanied by sufficient samples in order to examine the claims.

Irrespective of claims, no goods must be returned without our prior consent.

16. Cancellation

Cancellation, variation or addition to any contract can only be accepted if the production in our opinion is not too advanced. If a contract has not been specified within the agreed time we shall be entitled to cancel the quantity not duly specified and the Purchaser shall be held liable for the loss caused us.

17. Acts of God

If delay in delivery is caused by occurrences such as but not limited to: civil war, riots and revolutions, sabotage, requisitions, confiscations, nationalization, embargoes and expropriations, acts of piracy, natural cataclysms such as violent storms, cyclones, earthquakes, tidal waves, destruction by lightning, epidemics and quarantines, boycott, explosions, fires, destruction of machines, of factories or of any installations not imputable to our fault, acts of authority, whether lawful or arbitrary, strikes in any form whatsoever including unofficial strikes and those which do not formally entail interruption of work, lock-out, stoppages of work for whatever reason occurring within our enterprises, currency restrictions, lack of energy and means of transport, too late or defective delivery from our suppliers and other similar circumstances beyond our control, the delivery period shall be extended for a period having regard to the effect of the cause of delay on the delivery of the goods. If circumstances mentioned above should exclude or cause us considerable difficulty in delivery, we shall be entitled to cancel the order free of responsibility.

18. Choice of Law and Jurisdiction

All contracts are governed by the Laws of Denmark. Any disputes arising out of any contract of sale shall be decided by "Sø- og Handelsretten", Copenhagen.

