

**1. Basis for the agreement**

These terms & conditions of sales & delivery apply to all suppliers of products from PKI Supply A/S, unless another written agreement has been entered into between the parties.

**2. Product information**

Unless otherwise agreed, all products are supplied in PKI's standard quality. All information on PKI's products in the brochures, user manuals, catalogues and product information, etc., which PKI publishes regarding the products' qualities, function and use, must be considered as guidance only, unless otherwise expressly stated in a written agreement.

**3. Acceptance of orders and prices**

The offer first becomes binding upon the buyer's written acceptance. In a written offer, PKI can indicate a period for which the actual offer is valid. If nothing else is agreed, all orders are invoiced at the prices valid on the day of delivery. Prices are indicated excl. VAT and pallets.

Should, during the period between the order confirmation and delivery, there be an increase in commodity prices, collectively agreed wages, employee costs of any kind, sales taxes, customs tariffs, import/excise duties, the exchange rate of the Danish kroner or any other factor outside of PKI's control, PKI is then entitled to raise the price correspondingly with indication of the reason for the price rise.

**4. Payment**

Payment terms are cash net 14 days from the invoice date, unless otherwise agreed in writing. Should the due amount not be paid on time, a monthly interest of 1.8% will be incurred. If a collection letter must be sent out, a collection letter fee of DKK 100 will be added each time. Should the buyer fail to receive the product at the agreed time and place, the buyer is still obligated to make payment, just as if the receipt of goods had taken place in accordance with the agreement.

**5. Delivery, delay and return of goods**

Delivery takes place in accordance with INCOTERMS 2010 - ExW Fredericia.

PKI arranges the transport and debits the customer with the shipping costs, unless otherwise agreed. The product is supplied in PKI's standard quality, unless otherwise agreed. If the product has been manufactured in accordance with the buyer's specific requirements and specifications, then PKI is entitled to supply +/-10% of the agreed amount. PKI takes appropriate measures in regards to ensuring delivery is on time. In the event of a delay to the originally-agreed delivery date, PKI is entitled to postpone the date of delivery for up to 3 weeks calculated from the latest ordinary delivery date, without the buyer being able to use this as an opportunity to cancel the purchase.

The buyer shall be informed of any delay to a delivery as soon as PKI becomes aware of such. Delayed deliveries do not entitle the buyer to compensation for any losses as a consequence of the delay. Delivered products can only be returned after prior agreement. Approval is made according to the condition of the product and only upon payment of a handling fee of 20% of the invoiced price of the returned products.

Return packaging, pallets and liners are only accepted on agreement and only when returned at the buyer's expense and when received in perfect condition.

**6. Deficiencies, shortfalls and complaints**

The buyer shall, immediately upon receipt of the goods and before the product is taken into use or resold, check the delivered product for any deficiencies or shortfalls, and the buyer must immediately and no later than 14 calendar days after receiving the product, notify PKI in writing of any such deficiencies or shortfalls.

The product shall be checked regardless of whether it is a standard product or custom-made for the buyer, and regardless of whether the product has undergone testing at PKI's laboratory. Should the buyer's check indicate that the supplied product does not live up to the terms that have been agreed, to the specifications provided by PKI or to any of the requirements specifically made by the buyer, or should the product not be of the usual quality, PKI will provide a replacement, regardless of whether the deficiency is the result of a demonstrable error by PKI. Replacements are provided on the condition that all product complaints are reported in a timely fashion, cf. the above. Replacements are provided at no cost to the buyer when the deficient product is returned to PKI.

Should PKI's product be defective, and if this can be demonstrably attributable to PKI, and should this have resulted in a corresponding and causal loss for the customer, PKI is then obliged, in addition to replacement/additional delivery to compensate for such a loss, up to however a maximum amount of DKK 2.0 million.

PKI is not however under any circumstances liable for operating losses, loss of profits, loss of working hours, loss of goodwill or any other indirect losses caused by the delivered product, regardless of whether the claim concerns deficiencies or shortfalls.

PKI is not liable for any deficiencies or shortfalls of a supplied product that are the result of conditions outside of PKI's control, such as inappropriate conditions during transit, handling or storing of the product or contamination of it with other products.

**7. Testing**

Should a separate agreement be made for such, the buyer shall, before taking the product into use, undertake a test of said product to confirm that it is suitable for the buyer's intended use. The result of the testing is reported to PKI, after which the parties make an agreement to deliver and take the product into use, or for the delivery of another product for testing with the buyer.

**8. Product liability**

Should the buyer, after taking the product into use, consider it to be defective, then the buyer must report this to PKI without delay and avoid further use of the product, so that the cause of the potential defect can be investigated by the parties and an agreement on supplying a replacement made, if this is considered to be justified. In such instances will a replacement be supplied at no expense to the buyer, after the defective product (or those remaining) has been returned to PKI.

A product is considered to be defective, if it does not provide security against damage, which can be rightly expected of the product.

PKI takes no liability for damage or loss as a result of:

- a) a deficiency in the supplied product, which should otherwise have been noticed in the buyer's check of the product before taking it into use, cf. item 6.
- b) the buyer having taken the product into use in breach of a separate agreement on its testing, cf. item 7.
- c) incorrect or missing information provided by the buyer to PKI on the purchased product's intended use.
- d) incorrect or unusual use of the product, including its use on an underlay/surface or its exposure to the effects of e.g. weather, moisture or sunlight (UV rays), etc., to

which the product is not intended or suited according to PKI's product information and user instructions.

e) inadequate or inappropriate storage of the product by the buyer.

f) buyer's (retailer's) independent information regarding packaging, datasheets, in user instructions and product information, etc.

g) other factors outside of PKI's control, such as inappropriate conditions during transit, handling and storing of the product or contamination of it with other products. Should a product from PKI result in property damage and/or loss, PKI is then liable for this on condition that the damage or loss cannot be blamed on those factors mentioned above in pts. a) - g), and that the buyer can document that the damage or loss is a result of error or negligence on the part of PKI.

In this case, PKI is then obliged to compensate the direct costs of rectifying the error, which the customer has incurred as a result of the defect, including destruction costs, recall costs, etc.; the total compensation however cannot exceed an amount of DKK 2.0 million.

In cases where PKI's product has been attached to or in any other way been made into a part of the customer's product, and PKI provides a replacement, an amount is deducted from the compensation corresponding to the value of PKI's product without a defect.

Should PKI agree to a compensation claim as a result of the above, this liability does not cover operating losses, loss of working hours, loss of profits or similar indirect losses. Unless otherwise agreed in writing, liability for damage and/or loss of property is limited to DKK 2.0 million.

To the extent to which PKI incurs product liability towards a third party, then the buyer is obliged to indemnify PKI to the extent that such liability goes beyond the standard limits set out above.

If the third party makes a claim to one of the parties for compensation in accordance with this paragraph, this party must immediately notify the other party of this. The buyer is obliged to be sued at the same court, which handles claims against PKI arising from damage and/or loss, which is considered to be caused by a defect in one of PKI's products.

**9. Force majeure**

The following circumstances shall exempt PKI and the buyer, when they occur after the agreement has been entered into and prevent it from being fulfilled within a reasonable amount of time: labour disputes, strikes, lockouts and any other circumstances, which have been outside of either parties' control, such as government measures, acts of sabotage, seizure, currency restrictions, natural disasters, epidemics, fire, war, insurrection and civil unrest, mechanical breakdowns, lack of transport, general shortages, lack of supply of raw materials, failed/insufficient deliveries from subcontractors or delays in deliveries, as a result of any of those circumstances mentioned in this section.

Should either one of the parties invoke this provision, then the other party shall be notified of this in writing and without delay, indicating the reason for the claim.

**10. Disputes and choice of venue**

Any dispute, which may arise between the parties in connection with agreements on deliveries of products from PKI, including the interpretation of the current terms & conditions of sales & delivery, shall be determined according to Danish law and with the Maritime and Commercial High Court in Copenhagen as venue.