

2 July 2019

**GENERAL TERMS AND
CONDITIONS
FOR SURFACE TREATMENT**

Gardit A/S

1 GENERAL

- 1.1 These terms and conditions and Gardit A/S's (hereinafter referred to as the Seller) offer are valid for all surface treatment agreements, unless otherwise agreed in writing.
- 1.2 The party commissioning services from the Seller is designated the Purchaser in these terms and conditions.
- 1.3 The Seller reserves the right to change the terms and conditions. The currently applicable terms and conditions can be found at www.gardit.dk

2 OFFER

- 2.1 The Seller's offer is binding for 4 weeks. If the offer is not accepted within this period, the offer as a whole is no longer valid. However, irrespective of this, the delivery time specified in the offer is only binding if acceptance is received no later than the 5th working day after the offer is submitted. The Seller reserves the right to amend the offer due to changes in duty, taxes and other charges.
- 2.2 Delivery shall be made ex the Seller's business, unless otherwise agreed in writing.

3 DELIVERY OF ITEMS FOR TREATMENT AND RESPONSIBILITY FOR SUCH

- 3.1 Items for treatment are to be delivered by the Purchaser to the agreed location at the Seller. The time for delivery of the Purchaser's items to the Seller - and the Seller's delivery to the Purchaser - will be finally agreed once the contract has been entered into.
- 3.2 It is the Purchaser's responsibility to ensure that items for treatment received by the Seller are insured for fire, theft and water damage while in the possession of the Seller.
- 3.3 The Purchaser agrees that any claims for compensation for damage caused by the Seller to items in the Seller's possession may never exceed the specific order value for the relevant damaged items, with any additional financial demands to be borne by the Purchaser.
- 3.4 If the Purchaser cannot deliver the items to the Seller's address in a timely manner, the Purchaser is obliged to inform the Seller accordingly without delay. The Purchaser shall reimburse the Seller its additional expenses, including waiting time caused by the delay.
- 3.5 If the Purchaser fails to accept delivery on the agreed day, the agreed items will be stored at the Seller's business/warehouse at the Purchaser's expense and risk. However, in such circumstances, the Purchaser is not exempt from paying the purchase price at the agreed time.
- 3.6 If, in exceptional circumstances, the Seller agrees to collect the Purchaser's items and transfer them to the Seller's location, the Purchaser is responsible for any damage to items (total or partial destruction) during transport. The Seller can only be held liable for such damage where said damage (total or partial destruction) is caused by the Seller's gross negligence or malicious intent.
- 3.7 Surface treatment generally takes place on weekdays between 07.00 and 16.00. Work outside normal working hours must be agreed separately.

4 TREATMENT OF ITEMS AT THE PURCHASER

- 4.1 Items to be treated at the Purchaser must be prepared and placed in an environment that allows the Seller to carry out its work undisturbed. If the Seller cannot carry out the surface treatment at the Purchaser's address in a timely manner as a result of conditions at the Purchaser, the Purchaser shall reimburse any additional expenses, including waiting time, caused by the delay.

5 PAYMENT

- 5.1 Payment terms are net cash + 8 days.
- 5.2 In the event of late payment, the Seller shall charge interest at a rate of 2% per month or part thereof.
- 5.3 The Seller shall also charge a reminder fee, currently a minimum of DKK 100.00 per reminder sent. In addition, a fee of at least DKK 250.00 shall be charged if the Seller passes the matter to a lawyer with the aim of pursuing the outstanding sum for collection.
- 5.4 Any disagreements/disputes between the Purchaser and the Seller or any counterclaims by the Purchaser shall not entitle the Purchaser to offsetting.

6 QUALITY REQUIREMENTS

- 6.1 The Purchaser shall fulfil the following requirements for preparing the item prior to treatment:
- 6.2 It is the Purchaser's responsibility to provide information on the corrosion class and the purpose for which the item will be used.
- 6.3 If quality requirements are not agreed in advance by reference to a reference item or description, the Seller shall assume that the items are suitable for the agreed treatment, including that it is possible to achieve a satisfactory result.
- 6.4 If the Seller's investigations show that the results of the agreed treatment are uncertain, the Seller may cancel the agreement or demand that the Purchaser declare in writing that it agrees not to make a claim for defects against the Seller, if the Purchaser persists in wanting to have the items treated as agreed.
- 6.5 If both performance requirements and treatment method are specified in the agreement documentation, the treatment method takes precedence in the event of any disagreements. Unless otherwise stated, quality checks will be carried out in accordance with the Seller's quality assurance programme.

Unless otherwise agreed, the offer is based on the surface being prepared for the agreed surface treatment, including:

- that the edges are finished (rounded, bevelled)
- that all welds are without interruptions and without pores
- that for welds there is no significant burning (undercuts)
- that all slag, weld spatter, swarf and mill scale has been removed
- that all closed pipes and structures are equipped with drainage holes
- that the items are free of scratches and are ready for painting

The surface treatment is, unless otherwise agreed, performed similarly to corrosion category C2 - and in all circumstances is conditional on the structure being in accordance with DS/ISO 12944-3.

- 6.6 The Seller shall not be liable for surface defects and damage due to lack of preparation, including on surfaces that have previously undergone surface treatment, and where the quality of the treatment is dependent on the existing completed surface treatment.

7 WARRANTY

- 7.1 The Seller provides a 1-year warranty that surface-treated steel surfaces are, on delivery, not of a lesser rust degree than Ri 2 in accordance with DS/ISO 4628/3.
- 7.2 The warranty covers damage related to the work done, but not loss of gloss, loss of colour, fading or the like, only rust.

8 DELAY AND DEADLINE EXTENSION

- 8.1 The Seller is entitled to a deadline extension for (i) changes to the nature and extent of the work required by the Purchaser, (ii) the Seller's circumstances or third-party delays or defective delivery, (iii) force majeure in accordance with point 9 that is not the Seller's fault and is beyond the control of the Seller, e.g. war, unusual natural events, fire, strikes, lock-outs or vandalism, as well as when precipitation, low temperature, wind or other weather conditions prevent or delay the work, or if the work is stopped or delayed by an order or prohibition from the Danish Working Environment Authority. In no circumstances is the Seller responsible for daily penalties, operating losses, or other economic losses, indirect losses and consequential costs. The Purchaser's compensation claim against the Seller may not exceed the invoice value, excluding VAT on any work completed.

9 FORCE MAJEURE

- 9.1 The Seller is not responsible for delays caused by delay in the Purchaser's delivery of the items to the Seller, and in the event of force majeure experienced by the Seller. Force majeure is hereby understood to refer to circumstances that are not the Seller's fault and are beyond the control of the Seller, e.g. war, unusual natural events, fire, strikes, lock-outs or vandalism, as well as precipitation, low temperature, wind or other weather conditions that prevent or delay the work, or if the work is stopped or delayed by an order or prohibition from the Danish Working Environment Authority, or the equivalent experienced by one of the Seller's subcontractors.

10 PRODUCT LIABILITY

- 10.1 The Seller is not responsible for damage caused by the Seller's work:
- a) to real estate or personal property that occurs while the delivery is in the Purchaser's possession
 - b) to products manufactured by the Purchaser, or to products in which they are included, or for damage to real estate or personal property, which these products as a result of the element cause.
- 10.2 In no circumstances is the Seller responsible for daily penalties, operating losses, other economic losses, indirect losses and consequential costs. The above limitations to the Seller's liability do not apply if the Seller has been guilty of gross negligence.

10.3 The Purchaser must indemnify the Seller to the extent that the Seller is liable to a third party for any damage or loss, for which the Seller as per points 10.1 and 10.2 is not responsible to the Purchaser.

10.4 If a third party makes a claim against either party for liability for damages in accordance with this point, the said party must immediately notify the other party accordingly. The Purchaser is obliged to agree to be summoned to the court or arbitral tribunal that examines any compensation claims made against the Seller.

11 LIABILITY FOR DEFECTS AND LIMITATION OF LIABILITY

11.1 The Purchaser is obliged immediately, and no later than 5 days after receipt of the product/completion of the work, to complain about any visible defects. Complaints about hidden defects must be made as soon as possible. The Seller has the right and is obliged to remedy defects as soon as possible.

11.2 The Seller determines if the defects will be remedied on site or through a new treatment of new items delivered to the Seller. The cost of dismantling the items, reassembly of items and transport to the Seller's registered address is not covered by the Seller. If the Purchaser has complained about a defect, and it turns out that there is no defect for which Seller is responsible, the Seller is entitled to compensation for the work and the costs incurred by the Seller as a result of the complaint.

11.3 In no circumstances is the Seller responsible for daily penalties, operating losses, or other economic losses, indirect losses and consequential costs.

11.4 The Purchaser's compensation claim against the Seller may not exceed the invoice value, excluding VAT on any work completed.

12 VENUE

12.1 Any dispute shall be settled by Danish law. The venue shall be the Court of Viborg.

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