

Appendix B:

Blue Wave A/S General Conditions for Sale and Delivery

PREAMBLE

1. These General Conditions shall apply when the parties agree in writing or otherwise thereto. The object(s) to be supplied under these conditions is (are) hereinafter referred to as the Product.
2. Blue Wave A/S shall not in any way be bound on any conditions stipulated by the purchaser, which are contrary to these general terms of sale and delivery.

PRODUCT INFORMATION

3. All Information and data contained in product brochures and price lists are binding only to the extent that they are by reference expressly included in the contract.

DELIVERY, PASSING OF RISK

4. Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the contract. If no trade term is specifically agreed the delivery shall be Ex works (EXW). If, in the case of delivery Ex works, Blue Wave A/S, at the request of the Purchaser, undertakes to send the Product to its destination, the risk will pass not later than when the Product is handed over to the first carrier. Partial shipments shall be permitted unless otherwise agreed.
5. All orders placed will be charged with an environmental surcharge, at present 4 euro. Packaging, pallets and cartons, will be charged accordingly to the usages for each order placed.
6. Blue Wave offers customers with EXW Haderslev as delivery term to use our freight agreements. If so, term of delivery will be changed into DDU, and the freight costs will be charged on the Invoice.

DELIVERY TIME

7. Blue Wave A/S shall seek to supply all products in the standard product range within four working weeks of receipt of orders. If goods are delayed, Blue Wave A/S shall inform the purchaser of the fact as soon as possible. Prolonging of delivery time does not entitle the purchaser to liquidation damages.

RETURN OF GOODS

8. Returned goods will not be accepted without prior authorisation regardless of the reason for the return. Goods returned due to manufacturing defects or other problems for which Blue Wave A/S is responsible will be exchanged as soon as possible without costs for the customer. Goods returned not due to any fault or problems caused by Blue Wave A/S will be subject to a restocking charge of 30 % of current pricelist, but only if they meet the current specifications.

PAYMENT

9. Whatever the means of payment used, payment shall not be deemed to have been effected before Blue

Wave A/S's account has been fully and irrevocably credited.

10. If nothing else has been agreed in writing, the terms of payment shall be 30 days net from date of Invoice.
11. If the Purchaser fails to pay by the stipulated date, Blue Wave A/S shall be entitled to interest from the day on which payment was due. The rate of interest shall be as agreed between the parties. If the parties fail to agree on the rate of interest, it shall be at the rate stated on the invoice or else 1.5 per cent for each month. In case of late payment Blue Wave A/S may, after having notified the Purchaser in writing, suspend his performance of the contract until he receives payment. If the Purchaser has not paid the amount due within two months Blue Wave A/S shall be entitled to terminate the contract by notice in writing to the Purchaser and to claim compensation for the loss he has incurred. The compensation shall not exceed the agreed purchase price.

RESERVATION OF TITLE

12. The Product shall remain the property of Blue Wave A/S until paid for in full to the extent that such retention of property is valid under the applicable law. The Purchaser shall at the request of Blue Wave A/S assist in taking any measures necessary to protect Blue Wave A/S's title to the Product in the country concerned. The retention of title shall not affect the passing of risk under Clause 9.

LIABILITY FOR DEFECTS

13. Pursuant to the provisions of Clauses 12-24 inclusive, Blue Wave A/S shall remedy any defect resulting from faulty design, materials or workmanship.
14. Blue Wave A/S's liability is limited to defects, which appear within a period of one year from delivery.
15. When a defect in a part of the Product has been remedied, Blue Wave A/S shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of one year.
16. The Purchaser shall without undue delay notify Blue Wave A/S of any defect which appears. Such notice shall under no circumstances be given later than two weeks after the expiry of the period given in Clause 13. Where the defect is such that it may cause damage, the notice shall be given immediately. The notice shall contain a description of the defect. If the Purchaser does not notify Blue Wave A/S of a defect within the time-limits set forth in this Clause, he shall lose his right to have the defect remedied.
17. On receipt of the notice in writing under Clause 14 Blue Wave A/S shall remedy the defect without undue delay. Blue Wave A/S has fulfilled his obligations in respect of the defect when he delivers to the Purchaser a duly repaired or replaced part.

18. If the Purchaser has given such notice as mentioned in Clause 14, and no defect is found for which Blue Wave A/S is liable, Blue Wave A/S shall be entitled to compensation for the costs he has incurred as a result of the notice.
19. The Purchaser shall at his own expense arrange for any dismantling and reassembly of equipment to the extent that this is necessary to remedy the defect.
20. Unless otherwise agreed, the Purchaser shall bear any additional costs which Blue Wave A/S incurs for repair, dismantling, installation and transport as a result of the Product being located in a place other than the destination stated in the contract or – if no destination is stated – the place of delivery.
21. Defective parts, which have been replaced, shall be made available to Blue Wave A/S and shall be Blue Wave A/S's property.
22. If, within a reasonable time, Blue Wave A/S does not fulfil his obligations under Clause 15, the Purchaser may, by written notice, fix a final time for completion of Blue Wave A/S's obligations. If Blue Wave A/S fails to fulfil his obligations within such final time, the Purchaser may cancel the purchase.
23. Blue Wave A/S is not liable for defects arising out of materials provided by, or a design stipulated or specified by the Purchaser.
24. Blue Wave A/S is liable only for defects, which appear under the conditions of operation provided for in the contract and under proper use of the Product. Blue Wave A/S's liability does not cover defects, which are caused by faulty maintenance, incorrect erection or faulty repair by the Purchaser, or by alterations carried out without Blue Wave A/S's consent in writing. Finally Blue Wave A/S's liability does not cover normal wear and tear or deterioration.
25. Notwithstanding the provisions of Clauses 11-22 Blue Wave A/S shall not be liable for defects in any part of the Product for more than two years from the beginning of the period given in Clause 12.
26. Save as stipulated in Clauses 11-23, Blue Wave A/S shall not be liable for defects. This applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss.

DIVISION OF LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT

27. Blue Wave A/S shall not be liable for any damage to property caused by the Product after it has been delivered to the Purchaser. Nor shall Blue Wave A/S be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's products form a part. If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof in writing. Blue Wave A/S and the Purchaser shall be mutually obliged to let themselves be summoned to the court examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product. Blue Wave A/S shall not in any way be liable for any loss including loss of production, loss of profit and other indirect losses. The limitation of Blue Wave A/S's liability shall not apply where Blue Wave A/S has been guilty of gross negligence. Any liability that may be imposed on Blue Wave A/S can in no way exceed DKK 10,000,000.

FORCE MAJEURE

28. Either party shall be entitled to suspend performance of his obligations under the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war (whether declared or not), extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstances referred to in this Clause. A circumstance referred to in this Clause which had occurred prior to the formation of the contract shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the formation of the contract.
29. The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance. If Force Majeure prevents the Purchaser from fulfilling his obligations, he shall compensate Blue Wave A/S for expenses incurred in securing and protecting the Product.
30. Regardless of what might otherwise follow from these General Conditions, either party shall be entitled to terminate the contract by notice in writing to the other party if performance of the contract is suspended under Clause 26 for more than six months.

ANTICIPATED NON-PERFORMANCE

31. Notwithstanding other provisions in these conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof in writing.

CONSEQUENTIAL LOSSES

32. Save as elsewhere stated in these conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any consequential, economic or indirect loss whatsoever.

DISPUTES AND APPLICABLE LAW

33. Any disputes that may arise between the parties shall be settled according to Danish law, and the court in venue shall be the Civil Court in Haderslev, Denmark, alternative the Maritime and Commercial Court in Copenhagen, Denmark.

SPECIAL PRODUCTS

34. Special products will be produced in accordance with special customer drawing signed by the customer.
35. Special products are allowed a delivery tolerance of + 10%.
36. If special products have been prepared / started up in the production, customer will cover all expenses by cancellation.