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General Conditions for Purchase for PJ Diesel Engineering A/S

1 General

1.1 The following General Conditions are valid for all tenders and sales agreements unless otherwise expressly confirmed in writing by PJ Diesel Engineering A/S registered under VAT no: DK 86011719 - Eori no: DK 86011719 including divisions: *Four Stroke Engineering A/S and PJ Woodward Controls & Injection Systems A/S* (hereinafter referred to as PJDE).

2 Delivery

2.1 Unless otherwise agreed, terms of delivery are DDP in accordance with INCOTERMS 2012.

3 Time for Delivery – Delay

3.1 If, instead of a fixed date for delivery, the Parties have agreed on a period of time within which delivery is to take place, such period must commence on the date of Seller's order confirmation.

3.2 If Seller finds that Seller will not be able to deliver at the agreed time of delivery or if delay on Seller's part seems likely, Seller must immediately notify PJDE thereof in writing stating the reason for the delay and if possible the time when delivery can be expected.

3.3 If delay in delivery is caused by force majeure or an act or omission on the part of PJDE, the time of delivery must be extended by a period which is reasonable having regard to the circumstances in the case.

3.4 If Seller does not deliver on time, PJDE is entitled to liquidated damages from the date on which delivery should have taken place.

The liquidated damages will be payable at a rate of 5 per cent of the invoiced value of the delayed delivery/service for each commenced week of delay. The liquidated damages may, however, not exceed 25 per cent of the invoiced value of the delayed delivery/service.

The liquidated damages become due at PJDE's written demand.

PJDE loses the right to liquidated damages if PJDE has not lodged a claim in writing for such damages within 12 months after the time when delivery should have taken place.

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3.5 If Seller delivers more than 14 calendar days too late, PJDE is by written notice to Seller entitled to terminate the agreement in respect to the order containing the delayed goods/services.

3.6 Besides liquidated damages and termination, PJDE is entitled to damages for the loss suffered by PJDE due to Seller's delay. The liquidated damages to which PJDE has become entitled under clause 3.4 will be deducted in the calculation of the damages.

4 Price and Payment

4.1 Unless otherwise agreed, the purchase price must be determined in accordance with the current prices on the date of Seller's offer to PJDE or the date of Seller's receipt of PJDE's order. All prices are exclusive of VAT, which is added to the purchase price and paid by PJDE.

4.2 Unless otherwise agreed, the purchase price will fall due in current month + 30 calendar days after issuance of invoice.

4.3 In case of delay of payment an interest on overdue payments of 2% per year must be added to the purchase price.

4.4 If PJDE has not paid the amount due within 6 months, Seller will be entitled to terminate the agreement by written notice to PJDE and in addition to interest according to clause 4.3 to claim damages for the loss Seller has suffered.

5 Liability for Defects

5.1 PJDE has an obligation to perform visual inspection of the delivered goods/services before the delivered goods/services are used by PJDE for the first time. If PJDE fails to perform such visual inspection of the delivered goods/services, PJDE must forfeit the right to make any claim in respect to defects which ought to have been observed during such visual inspection.

5.2 If PJDE fails to notify Seller within reasonable time after a defect has been or ought to have been observed by PJDE, PJDE must forfeit the right to make any claim in respect to the defect.

PJDE furthermore forfeits the right to make any claim in respect to defective goods (not services), if PJDE has not notified Seller hereof within twenty-four (24) months from the date of delivery of such goods. In respect to defective services, there are no absolute notification limits other than what follows from applicable law.

5.3 PJDE is entitled to demand that Seller performs remedy of defective goods/services immediately after notification hereof by replacing or repairing the defective goods/services at PJDE's choice. PJDE is also

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entitled to remedy the defects themselves (or to have a third party to perform the remedy) at Seller's risk and expense. Seller bears all costs in connection with the remedy.

5.4 Besides remedy of the defects according to clause 5.3, PJDE is entitled to:

- a proportionate reduction of the purchase price;
- terminate the agreement regarding purchase of the defective goods/services; and/or
- damages for the economic loss suffered by PJDE in consequence of the defects, including damages for PJDE's costs for attorneys and other advisors due to the defects.

6 Product Liability and Tort

6.1 Seller is liable to pay damages for loss incurred by PJDE due to personal injury and/or damage to other property/products/services than Seller's goods/services – including damage to property/products/services in which Seller's goods/services form a part – if said personal injury and/or damage is caused by Seller's goods/services and Seller is liable towards PJDE according to the conditions of applicable law, including applicable law on product liability and tort liability.

6.2 Seller must indemnify and hold harmless PJDE for any claim of damages, for which claim PJDE is liable to pay damages towards customers and/or third parties, if Seller is liable for said claim towards PJDE in accordance with this section 6. Such indemnification must include PJDE's own attorney's fees and other advisor fees.

6.3 If a claim for loss or damage as described in this clause 6 is raised by a third party against either Party, such Party must forthwith notify the other Party thereof.

Seller and PJDE are mutually obliged to let them sue at the court or arbitral tribunal handling a claim for damages raised against either party due to loss and/or damage allegedly caused by the goods/services delivered by Seller. The interrelationship between Seller and PJDE must, however, always be determined in accordance with Section 7 (Governing Law and Venue) of these general conditions for purchase.

7 Governing Law and Venue

7.1 This Agreement and all claims and disputes arising out of or in connection with this Agreement is governed by Danish law.

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7.2 All disputes, controversies or differences which may arise between the Parties, out of or in relation to or in connection with this Agreement, or for the breach thereof, which is not settled voluntarily, must be settled by the Danish Institute of Arbitration (Danish Arbitration).

Unless otherwise agreed between the Parties, arbitral negotiations must be conducted in Copenhagen, Denmark.

Unless otherwise agreed between the Parties, the Simplified Rules of Procedure of the Danish Institute of Arbitration will apply and the Arbitration Tribunal will be composed of a sole Arbitrator appointed by the Institute. This Arbitrator must hold a Danish university law degree and work as either an Attorney or Judge.

The language of the arbitral proceedings will be Danish. The Parties are, however, entitled to submit material in English and make witness statements in English.

7.3 Despite clause 7.2, PJDE may choose, at its own discretion:

that an action brought against PJDE by the customer at The Danish Institute of Arbitration shall be referred to the ordinary courts of Denmark with the District Court of Copenhagen as venue; and

to bring an action against the customer before the ordinary courts of Denmark with District Court of Copenhagen as venue.

Name of company: PJ Diesel Engineering A/S
 Authorized Signatory: Anne-Mette Elsborg, Group CEO
 Place (where signed): Copenhagen, Denmark
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