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PJDE general terms and conditions

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 Tenders and Order Acknowledgements

2.1 Tenders are submitted subject to the goods being unsold, and become void if the customer has not accepted them within 14 days of the date of the tender. Accepted tenders are normally confirmed by PJDE by means of order acknowledgements. Possible objections from a customer concerning discrepancies in the order acknowledgement must be raised immediately upon receipt of the order acknowledgement.

2.2 Orders from customers are only binding for PJDE after a written order acknowledgement has been issued and only on the conditions stated in the order acknowledgement.

3 Specifications and Prices

3.1 All information on weight, dimensions, capacity, price, technical and other data stated in catalogues, prospectuses, circulars, advertisements, illustrated matter and price lists is to be considered approximate. Such information is only binding to the extent stated in the order acknowledgement or in other agreements expressly referring to such information.

3.2 Unless otherwise agreed between PJDE and the customer, all sales are made at the prices valid on the date of PJDE's tender or the date of PJDE's receipt of the customer's tender. All prices are excluding VAT or similar sales taxes which will be added to the purchase price and paid by the customer.

3.3 Unless otherwise agreed in writing, delivery is made "Ex-Works" in accordance with INCOTERMS 2012, but the delivery price is exclusive of packing, which will be charged extra.

4 Time of Delivery

4.1 The time of delivery or completion stated by PJDE is always estimated and subject to technical inspection. If a definite time of delivery or completion has been expressly agreed upon in writing, such time of delivery or completion is always +/- 7 working days.

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4.2 The agreed time of delivery is always stated with reservation for delays due to force majeure, including labour conflicts and other reasons beyond PJDE's control. In such case, the time of delivery or completion will be extended for a reasonable period corresponding to the duration of such delay. Delivery or completion postponed for the reasons referred to here shall, in every respect, be considered as having been effectuated in due time.

4.3 If a delay in delivery or completion, caused by reasons as stated in 4.2, can be expected to last longer than 3 months, the customer, as well as PJDE, shall be entitled to cancel the agreement without paying compensation.

4.4 If a delay is caused by reasons other than mentioned in clause 4.2, the customer is entitled to liquidated damages from the date on which delivery should have taken place.

The liquidated damages are payable at a rate of 2 per cent of the invoiced value of the delayed part of the delivery/service for each complete week of delay. The liquidated damages may, however, not exceed 10 per cent of the invoiced value of the delayed part of the delivery/service. Furthermore, PDJE may in no event be obliged to pay more than DKK 50,000 in liquidated damages to the customer per calendar year.

The liquidated damages become due at the customer's written demand. The customer loses the right to liquidated damages if no claim has been lodged in writing for such liquidated damages within three (3) months after the time when delivery should have taken place.

4.5 If the customer is entitled to maximum liquidated damages under clause 4.4 and the goods are still not delivered, the customer may by notice in writing terminate the agreement in respect of that part of the goods/service which cannot be used for its intended use.

4.6 In the event that the agreement is cancelled according to 4.5 above, PJDE shall only repay any payments made by the customer, if the customer returns the already delivered goods substantially in the condition and quantity in which they reached the customer.

4.7 Irrespective of whether the responsibility for the delay lies with PJDE or its subcontractors, the customer shall not have any other legal remedies than mentioned above in 4.1 – 4.6 due to the delay. Besides liquidated damages according to clause 4.4, PJDE shall not have any liability to pay damages or compensation whatsoever due to the delay.

4.8 The above limitations in PJDE's liability for delay do not apply to the extent PJDE has caused the delay due to gross negligence or wilful misconduct.

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5 Terms of Payment

5.1 Unless otherwise expressly agreed in writing, based on an evaluation of the credit worthiness of the individual customer, payment shall be effectuated net cash upon receipt of the invoice.

5.2 If the dispatch of goods is postponed at the request of the customer, payment shall, however, be made 14 days at the latest after the customer has been informed that the goods are ready for dispatch.

5.3 If payment is not made when due – see 5.1 and 5.2 – interest will accrue on the overdue amount at 2 per cent per each month commenced.

5.4 The customer is not entitled to off-set payment against a claim which the customer considers to have against PJDE in respect of the consignment concerned or any other consignment.

5.5 In each case where some form of credit is granted, the sale will be considered as having been made with PJDE retaining the ownership until full payment has been effectuated. If the customer does not pay when due, PJDE is entitled to take back the goods without a court judgement in accordance with the valid rules of law on this point.

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6 Technical Service

6.1 For the rendering of technical service, including advice, testing, supervision or the carrying out of repair or maintenance work, the following supplementary conditions shall apply.

6.2 Unless otherwise agreed between PJDE and the customer, payment for technical service is charged on a time basis, in accordance with PJDE's price list valid on the date of PJDE's receipt of the customer's technical service order or on the date of PJDE's tender for the execution of an order. In addition to PJDE's current fees for technical service and waiting time, as well as employees' allowances in accordance with the Danish tax directive, the following expenses will be charged at net cost plus a 10% administration fee: travelling and living expenses as well as expenses for necessary telecommunications.

6.3 Unless otherwise agreed between PJDE and the customer, prices indicated in tenders, etc. for the execution of an order shall be considered as estimates only.

6.4 Unless otherwise agreed in writing, the execution of an order is subject to manual assistance being rendered by the engine room staff and subject to the availability of standard repair facilities on board.

6.5 It is the responsibility of the customer/the master of the ship that the engine room staff or other manpower made available by the customer complies with instructions and/or advice given by PJDE representatives.

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7 Repair work and Reconditioning

7.1 For goods which are sent to PJDE for repair, reconditioning, assembling, adaptation, or other processes, the forwarding to and from and the storage at PJDE's workshop shall be for the account and risk of the customer.

7.2 If, in the opinion of PJDE, any goods referred to in clause 7.1 are not suitable for repair or reconditioning, they will be scrapped without charge to the customer as PJDE's examination costs will be considered to be covered by the scrap value of the goods. If the customer desires to have such unsuitable goods returned, this must be previously informed to PJDE in writing. Such goods will then be returned for the customer's account and risk, and PJDE's expenses for the examination of the goods will be charged to the customer.

8 Liability for Defects and Shortages

8.1 The customer shall have an obligation to inspect the delivered goods. Goods delivered in error shall be returned unused in an undamaged condition so as to reach PJDE within one month of the date of the invoice. If the customer fails to notify PJDE within 10 days after the defects or shortages concerned have been or ought to have been discovered by the customer, the customer shall forfeit its right to make any claim in respect to the defects and/or shortages.

In case of latent defects, including defects which ought not to have been observed, the customer furthermore forfeits its right to make any claim in respect to a defect, if the customer has not notified PJDE hereof within two (2) years from the date of completion of the negligent technical service job or two (2) years from the date of delivery of the defective goods.

8.2 In the event that goods delivered by PJDE are proved to be defective at the time of delivery and the notification time limit above in clause 8.1 is observed, PJDE undertakes to replace or repair the defective goods at PJDE's choice, provided that the goods have been operated under normal operating conditions in accordance with PJDE's instructions.

8.3 If PJDE is unable to replace or repair the delivered goods or render such technical service as is necessary to correct work pursuant to 8.2, or if the costs in connection with such replacement or repair exceeds three (3) times the invoiced value of the defective goods or the fee payable for the defective technical service job, PJDE will assume liability to pay damages for loss due to the defective goods and/or the defective technical service jobs in accordance with the applicable Danish rules on liability for defects. However, this liability is limited as set forth below:

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PJDE's liability due to defective goods and/or defective technical service jobs shall in no event exceed three (3) times the invoiced value of the defective goods or the fee payable for the defective technical service job. However, PJDE's total annual liability for defects, including liability to pay damages, shall in no event exceed DKK two (2) million per calendar year.

PJDE shall in no event be liable as towards the customer for any indirect loss, including but not limited to loss of production, loss of profit or any other consequential economic loss.

8.4 PJDE's liability is limited to the above and thus does not cover, inter alia: wear, damage caused by carelessness or negligence by the customer or by personnel in the service of the customer, damage caused by material supplied by the customer himself, or damage caused during construction/ assembling carried out by the customer without the written approval of PJDE. PJDE reserves the right to examine the goods concerned in its own workshop before the question of liability is finally decided upon.

8.5 For repaired and reconditioned goods, PJDE undertakes the same liability as stated in 8.2 – 8.4, with the exception, however, that repaired and reconditioned goods will not be replaced by new parts.

8.6 Except as stipulated in 8.1 – 8.5 above, PJDE shall not be liable for defective goods supplied or technical service rendered. The limitations of PJDE's liability according to this section 8 shall, however, not apply if PJDE has caused the defect by gross negligence or wilful misconduct.

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9 Liability for Personal Injury and Damage (including Product Liability and/or Tort Liability)

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

9.2 PJDE's liability to pay damages for loss incurred due to damage to property/products/services cannot exceed DKK three (3) million per damage and can in no event exceed DKK six (6) million per calendar year. In case of claims made in consequence of more than one case of damage occasioned by the same liability entailing conduct and regarding more than one calendar year ("series of damage") the claims cannot exceed DKK six (6) million.

9.3 PJDE shall under no circumstances be liable for any indirect loss, including but not limited to loss of production, loss of profit or any other consequential economic loss.

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9.4 The customer must indemnify and hold harmless PDJE for any claims for damages, for which claim PDJE is liable to pay damages towards the customer's own customers or any third parties, if such claim has been waived by PDJE towards the customer in accordance with this section 9.

9.5 If a claim for loss or damage as described in this section 9 is raised by a third party against either Party, such Party must forthwith notify the other Party thereof.

9.6 The above limitations in PJDE's liability shall, however, not apply where PJDE has been guilty of gross negligence, wilful misconduct or to the extent that such limitation is prohibited under mandatory law. The limitations shall not apply at all in respect to liability for personal injury and/or damage to consumer property.

10. Third Party Infringement

10.1 PJDE assumes liability towards the customer, if a third party asserts a claim against the customer based on alleged infringement of an intellectual property right ("IPR") by the goods/services delivered by PJDE, provided that PJDE is in fact liable towards the customer according to applicable law.

10.2 PJDE's total liability towards the customer pursuant to this section 10, including liability to pay damages, cannot exceed DKK five hundred thousand (500,000) per liability entailing conduct leading to the infringement, and PJDE's total annual liability towards the customer according to this section 10 cannot exceed DKK one (1) million per calendar year.

10.3 The above limitations in PJDE's liability shall not apply where PJDE has caused the infringement due to gross negligence or wilful misconduct.

11 Governing Law and Venue

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

11.2 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 proceedings must be conducted in Copenhagen, Denmark.

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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.

11.3 Despite clause 11.2, PJDE may choose, at its own discretion:

- a) 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
- b) 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
 Date: February 19th, 2018
 Place (where signed): Copenhagen, Denmark
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