

NEFAB General Conditions of Sale

Valid from 2005-10-10

Applicability

- 1 These General Conditions shall apply on all sales performed by Nefab AB and its affiliates ("the Seller") to its customers ("the Buyer"). Deviations from these General Conditions shall not apply unless agreed specifically in writing.

Orders

- 2 No purchase agreement (a "Contract") shall be considered as having been made until an order confirmation has been provided from the Seller to the Buyer. The Seller is only bound by the conditions in the order confirmation. If the Buyer does not accept the order confirmation he must notify the Seller in writing immediately. If no such notification is given the Buyer is bound by the price and other conditions contained in the order confirmation.

Delivery Inspection

- 3 The Buyer shall inspect the goods upon delivery and notify the Seller in writing of any defects immediately and in no case later than one week after the delivery of the goods. The notice shall contain a description of how the defect manifests itself. If the Buyer fails to notify the Seller in writing within the above time limits, he loses his right to make any claim in respect of the defect.

Delivery Clauses

- 4 Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the Contract. If no trade term is specifically agreed, the delivery shall be FCA.

Delivery Time

- 5 Unless otherwise agreed, the delivery time stated in the Contract shall be taken as commencing on the date of the Contract. The date of delivery shall be taken as the date on which the goods, according to the agreed delivery clause, are to be regarded as handed over.

Price

- 6 All prices are net taxes, VAT, customs duties and other similar levies, unless otherwise provided in the agreed terms of delivery.

Payment

- 7 Payment terms: 30 days net.
- 8 Delayed payment shall carry penalty interest with 2% per month on any outstanding amount. Any part payment shall first be deducted from the penalty interest due.
- 9 If the Buyer fails to pay by the due date, the Seller may suspend further performance of his contractual obligations until full payment of all outstanding invoices are made. If the Buyer has failed to pay the amount due within 60 days after the due date, the Seller may terminate the Contract by giving written notice to the Buyer. The Seller shall be entitled to full payment for the goods even if it has not been delivered in full and, in addition, to interest on late payment as well as to claim compensation for the loss he has suffered.

Retention of Title

- 10 The goods shall remain the property of the Seller until paid for in full, to the extent that such retention of title is valid. The intellectual property entailed in the goods or in the packaging solutions will never form part of a Contract and will thus always remain the sole property of the Seller.

Delayed Delivery

- 11 If the Seller finds that he will not be able to meet the agreed delivery schedule he shall notify the Buyer thereof in writing, stating the cause of the delay and indicating the date on which he expects to be able to deliver.
- 12 Should a delivery or part-delivery be delayed because the Seller has materially neglected his obligations to begin work or to take other steps within such a time that he can effect delivery by the due date, the Buyer shall be entitled to cancel the Contract upon giving written notice thereof to the Seller, although such cancellation may be resorted to only if the delay is of material significance to the Buyer and the Seller has realised or should have realised this. The Buyer may, regardless of the cause of the delay, not cancel a Contract if he has not objected to a prolonged delivery time upon receiving notice from the Seller in accordance with clause 11. If the Buyer has raised such objection, the Seller shall have reasonable time to deliver. Over and above what is stated in this clause and in clause 11, the Seller is free from any compensation, liability or other encumbrance arising from the delayed delivery, unless to the extent specifically agreed.

Delay from the Buyer's Side

- 13 If the Buyer does not take delivery of the goods on the agreed date, the Buyer is liable for every expense incurred in connection with the delivery just as if the goods in question had been delivered. The Seller shall, if the goods is still in the hands of the Seller, arrange for the goods to be stored at the Buyer's risk and expense. The Seller may also terminate the Contract and claim damages.

Liability for Defects

- 14 The Seller undertakes to deliver the goods in the condition agreed to between the parties.
- 15 The Seller shall, in accordance with the provisions of clauses 17-21 below, remedy any defect in the goods resulting from faulty design, materials or workmanship if the defect is not due to mishandling, overloading or otherwise attributable to the Buyer or third parties.

- 16 The Seller's liability does not cover defects caused by circumstances, which arise after the risk has passed to the Buyer, nor does it cover normal wear and tear or deterioration.
- 17 The Seller's liability is limited to defects, which appear within a period of one year from the date of delivery of the goods. If the goods are used more intensely than agreed, this period shall be reduced proportionately. For parts, which have been repaired or replaced under clause 15, the Seller shall have the same liability for defects as for the original goods for a period of one year. For other parts of the goods the liability period referred to in paragraph one shall be extended only by the period during which the goods could not be used due to a defect for which the Seller is liable. Regardless of the provisions of clauses 15-22, the Seller shall have no liability for defects in any part of the goods for more than two years from the start of the liability period referred to in paragraph one.
- 18 After receipt of a written notice under clause 3 (Delivery Inspection), the Seller shall remedy the defect without undue delay. The Seller shall bear the costs as specified in clauses 15-21. Remedial work shall be carried out at a location of the Seller's choice.
- 19 If the Buyer gives such notice as referred to in clause 3 (Delivery Inspection), and no defect is found for which the Seller is liable, the Seller shall be entitled to compensation for the work and costs which he has incurred as a result of the notice. If remedy of the defect requires intervention in other equipment than the goods, the Buyer shall be responsible for any work or costs caused thereby.
- 20 All transports in connection with repair or replacement shall be at the Seller's risk and expense. The Buyer shall follow the Seller's instructions regarding how the transport shall be carried out. The Buyer shall bear the increase in costs for remedying a defect which the Seller incurs when the goods are located elsewhere than at the destination stated in the Contract or – if no destination has been stated – the place of delivery.
- 21 If the Seller fails to fulfil his obligations under clause 18 within a reasonable time, the Buyer may by written notice require him to do so within a final time. If the defect is substantial, the Buyer may instead terminate the Contract by written notice to the Seller.
- 22 The Seller shall have no liability for defects save as stipulated in clauses 15-21. This applies to any loss the defect may cause, such as loss of production, loss of profit and other consequential or indirect economic loss.

Liability for Damage to Property Caused by the Goods

- 23 The Seller shall have no liability for damaged caused by the goods:
 - a) to any (movable or immovable) property, or consequential loss due to such damage, occurring while the goods are in the Buyer's possession, or
 - b) to products manufactured by the Buyer or to products of which the Buyer's products form a part.If a third party lodges a claim for compensation against the Seller or the Buyer for loss or damage referred to in this clause, the other party to the Contract shall forthwith be notified thereof in writing.

Ground for Relief (Force Majeure)

- 24 The following circumstances shall constitute grounds for relief if they impede the performance of the Contract or makes performance unreasonably onerous and could not reasonably be foreseen: industrial disputes and any other circumstance beyond the control of the parties, such as fire, war, mobilisation or military call up of a comparable scope, requisition, seizure, trade and currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power and defects or delays in deliveries by sub-contractors caused by any such circumstance as referred to in this clause.
- 25 The party wishing to claim relief under clause 24 shall without delay notify the other party in writing on the intervention and on the cessation of such circumstance. If grounds for relief prevent the Buyer from fulfilling his obligations, he shall reimburse the expenses incurred by the Seller in securing and protecting the goods.
- 26 Notwithstanding other provisions of 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 delayed more than six months by reason of any grounds for relief as described in clause 24.

Disputes, Applicable Law

- 27 Disputes arising out of or in connection with the Contract shall not be brought before the court, but shall be finally settled by arbitration in accordance with the law on arbitration applicable in Sweden.
- 28 All disputes arising out of the Contract shall be judged according to the laws of Sweden, without giving effect to the conflict of laws principles thereof and without reference to the laws of any other country.