

Fjernvarme Fyn – General conditions for supply, rev. C

Fjernvarme Fyn mean any company directly or indirectly controlled by Fjernvarme Fyn Holding A/S.

The below general conditions for supply apply to all purchase orders unless alternative terms are agreed between the parties in writing.

1. Specification and description

- 1.1 Supplier shall deliver in strict compliance with the order, including the required material certificates and test certificates as well as all other certification and documentation. Unless otherwise specified in the order, the delivery shall be effected in operational condition DDP Fjernvarme Fyn, Incoterms 2020. Fjernvarme Fyn will for instance not assume responsibility for assembly or completion of the supply.
- 1.2 Additionally, the supply must in every aspect comply with the regulatory requirements imposed on execution of the supply, hand-over and subsequent use.
- 1.3 Changes in specifications, prices or times of delivery shall not apply, unless Fjernvarme Fyn has confirmed them in writing before delivery.
- 1.4 All drawings and technical documents provided by Fjernvarme Fyn or the supplier prior to or after the conclusion of the agreement remain the property of the party that has provided them. They must not be copied, reproduced, assigned to or in any other way be brought to the knowledge of third parties without the permission of the other party, except to the extent necessary for the completion of the order.
- 1.5 If required by Fjernvarme Fyn, supplier shall free of charge provide Fjernvarme Fyn with information, list of identification, list of spare parts, maintenance manuals, installation instructions and drawings that are sufficiently detailed to enable Fjernvarme Fyn to install, start, operate, maintain and repair all parts of the supply. Such information and drawings specifically made for Fjernvarme Fyn become the property of Fjernvarme Fyn.
- 1.6 If a supplier does not manufacture the supply or essential parts thereof, the subcontractor must be approved in writing by Fjernvarme Fyn.
- 1.7 Fjernvarme Fyn is entitled to inspect the supply and participate in tests all the places where the supply is being produced.

2. Time of delivery

- 2.1 The time of delivery stated in the order is the date of arrival of the supply and/or the documentation to Fjernvarme Fyn. If the supply is deficient the supply shall not be considered effected until remedied, except to the extent that the deficiencies are of a minor nature. Minor deficiencies are only those that do not affect the production of Fjernvarme Fyn or the contractual use of the supply.
The production of Fjernvarme Fyn is planned according to the delivery times agreed being closely adhered to, and any deviations therefrom will cause considerably costs. Consequently, supplier must take all measures needed to ensure delivery at the times stated.
Delivery shall not be made earlier without written consent. Any delay or expected delay shall be instantly communicated in writing to Fjernvarme Fyn. In such cases where Fjernvarme Fyn cannot accept the delay, supplier shall pay penalty in accordance with the following rules.

- 2.2 If delivery takes places after the agreed time of delivery, or if deficiencies are not remedied until after the agreed deadline, supplier shall pay a penalty of 2.5% of the total order amount for the complete supply for each commenced weeks delay until the supply is contractually delivered unless otherwise agreed between the parties.
In cases where Fjernvarme Fyn has accepted a postponement due to the delay of the supplier, and where the new time of delivery is not kept, the penalty shall be calculated from the original time of delivery.
- 2.3 If supplier does not take all reasonable measures needed to ensure delivery by the deadline agreed, Fjernvarme Fyn is in writing entitled to cancel the supply and to demand damages for the direct loss sustained by Fjernvarme Fyn because of the delay. Insofar supplier has acted with intend or gross negligence Fjernvarme Fyn is also entitled to demand damages for consequential losses. Damages will be determined according to the general provisions of the law on payment of damages according to Danish law.
Fjernvarme Fyn is entitled to damages both in the event of cancelling the order and in the event of proceeding with the order.
- 2.4 If required by Fjernvarme Fyn supplier shall submit drawings and production plans as well as reports on production phases to the extent Fjernvarme Fyn deems this necessary.

3. Guarantee and deficiencies

- 3.1 Supplier guarantees proper construction, good quality of the materials, good workmanship, and that the supply is suitable and has the right properties for the specified purpose for which it is intended.
- 3.2 If specific services are included in the supply, such services are also covered by suppliers guarantee.
- 3.3 Unless otherwise agreed between the parties, the guarantee period is 24 months. The guarantee period becomes effective from Fjernvarme Fyn's acceptance, but will at the latest expire 36 months after delivery.
- 3.4 For a supply that is wholly or partially replaced or remedied pursuant to paragraph 3.6 or paragraph 3.7, the aforementioned conditions shall apply in respect of all relevant parts of the supply in a new 24 month period effective from the completion of the repair, cf. paragraph 3.3. However, the total guarantee period will at the latest expire 60 months after initial delivery.
- 3.5 Fjernvarme Fyn will as soon as possible advise supplier of possible defects and/or deficiencies.
- 3.6 It is the duty of supplier, without undue delay and at no cost to Fjernvarme Fyn, to remedy the defect and/or correct the deficiencies including exchanging any parts of the supply that do not fulfil the requirements according to specification and order. Fjernvarme Fyn sets a reasonable deadline with Fjernvarme Fyn's production in mind, by which time the repair must be effected.

- 3.7 If supplier by the deadline stated has not remedied, repaired, exchanged and/or replaced the defects and/or deficiencies, Fjernvarme Fyn is entitled to have the repair and remedial work and/or replacement done by other parties than the supplier, but at supplier's expense. By significant defects and/or deficiencies Fjernvarme Fyn also has the right, through written communication to supplier, to cancel the order rather than have repair, remedial work and/or replacement carried out.
- 3.8 Fjernvarme Fyn is entitled to claim damages for losses incurred through defects or deficiencies of the supply, cf. paragraph 2.3. If the remedy of defects and/or deficiencies necessitates intervention in other parts than the supply, then Fjernvarme Fyn is responsible for such work and costs.

4. Payment

- 4.1 If not agreed otherwise in writing the terms of payment is 30 days net after the customary control of quantity and quality, as well as acceptance of the invoice. Payment is conditional upon complete delivery of the supply including receipt of the certificates, drawings and other technical documentation as per order. Penalties or damages can be offset against any payment to supplier.
- 4.2 Any advance payment is conditional upon supplier having established an irrevocable guarantee redeemable on demand in a reputable bank or insurance company on terms satisfactory to Fjernvarme Fyn

5. Liability

- 5.1 If a third party make a claim against either Fjernvarme Fyn or the supplier, the party being claimed has the obligation, without delay, to notify the other party about this.
- 5.2 To the extent that Fjernvarme Fyn according to Danish or foreign law may be subject to product liability for loss caused by the supply, supplier is under obligation to indemnify Fjernvarme Fyn.
- 5.3 The seller is in the same way obligated to indemnify Fjernvarme Fyn for any claim made by a third party on any insult or violation of patent, license, trade or pattern protection, copyright, knowhow and the like. Should Fjernvarme Fyn suffer losses as a result of such violated rights, Fjernvarme Fyn is entitled to claim compensation for the loss.
- 5.4 In case of third-party claims of product liability or intellectual property rights the supplier is entitled and obliged to take over the case, and the case must be handed over latest 4 weeks after receipt of the claim.
- 5.5 Fjernvarme Fyn can under no circumstances demand damages for indirect losses and other consequential losses at Fjernvarme Fyn or at possible downstream levels, including but not limited to operating losses, profit losses, production losses, power failures and expenses of replacement power, unless supplier has acted with intent or gross negligence.

6. Marking and packing

- 6.1 The supply and delivery notes must be clearly marked with Fjernvarme Fyn's order number, part numbers and delivery address, and whether it is a partial delivery or a final delivery.
- 6.2 Agreed prices include packing. Separate invoicing of packing will only be recognized against full crediting for returnables.
- 6.3 Packing of the supply has to take place in such a way that the supply can be received and handled without any risk of personal injury or damage to the supply.

7. Insurance

- 7.1 Supplier is obliged to take out appropriate product and liability insurance, and insurance for the part of the transport where the supplier is bearing the risk. Upon request from Fjernvarme Fyn supplier must immediately demonstrate that appropriate insurances have been taken out and premiums been paid.

8. Secrecy

- 8.1 Fjernvarme Fyn or supplier shall neither publicly or to third parties disclose information from the order. Press release and use of Fjernvarme Fyn or the supplier as reference should only occur upon a written acceptance from the other party.

9. Code of Conduct

- 9.1 Supplier shall comply with all laws, regulations and rules applicable for the supply, including UN Global Compact principles.

10. Force majeure

- 10.1 If the supply is delayed by force majeure, e.g. by war, riot, terrorism, natural disaster, fire, explosion, strike, lockout, boycott or intervention by public authorities in lawful activities, supplier shall immediately inform Fjernvarme Fyn in writing about the delay and its cause, as well as its estimated duration, and under all circumstances keep Fjernvarme Fyn posted regarding the development. Supplier shall take reasonable measures to abate the effect of the force majeure situation. Time of delivery is deferred by the unavoidable delay, but at the most by the duration of the force majeure situation.
- 10.2 If Fjernvarme Fyn is prevented to receive or install the supply due to a force majeure situation as described above, Fjernvarme Fyn is entitled to require the supply deferred as in the case above.
- 10.3 If the deferment of the supply due to force majeure at Fjernvarme Fyn or at supplier's premises has a considerable impact on Fjernvarme Fyn's production, Fjernvarme Fyn may cancel the order against payment of suppliers and possible subcontractors documented costs up to the day of cancellation, supplemented by the part of supplier's calculated profit that proportionately covers the work carried out.

11. Application of law and arbitration

- 11.1 Any disputes in connection with the agreement that cannot be settled by negotiation shall be governed by Danish law and settled by arbitration administrated by The Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced. The venue of The Danish Institute of Arbitration is Denmark and the proceedings shall be in Danish or English. Reference is made to Act No. 553 of 24 June 2005 covering arbitration, with subsequent amendments. The award of The Danish Institute of Arbitration is final and binding on the parties.