

# Rotakorn

## Area of application

1. These terms of delivery apply on all sale agreements with Rotakorn Electronics AB and its subsidiaries unless otherwise explicitly agreed in writing. The company in the Rotakorn Group having made an offer or entered into a sale agreement is hereinafter referred to as Rotakorn. Statements or information between the parties not having been confirmed in writing at the conclusion of the agreement shall not override the provisions of these terms of delivery or in any other respect influence the contents of the agreement.

Amendments to these terms of delivery have to be made in writing to be applicable.

The terms "written" or "in writing" used in these terms of delivery mean a document signed by both parties or letter, telefax, e-mail or other forms that the parties have agreed.

2. Rotakorn buy products for resale. In some cases acquisition is made from suppliers not authorized by the manufacturer. These terms of delivery are drafted bearing that in mind.

3. Products bought from Rotakorn is hereinafter referred as the goods.

## Drawings and other written materials

4. Information in catalogues, prospects, circulars, advertisements, illustrations and price lists concerning weight, dimensions, capacity, price, technical or other data in catalogues, brochures, circulars, advertisements, illustrations and price lists are approximate. Such information is binding only when expressly referenced in the contract.

5. Any drawings or technical documents provided by Rotakorn and relating to the manufacture of a product or part thereof shall remain Rotakorn's property unless otherwise agreed in writing. The purchaser shall not use or copy, reproduce, release or otherwise give a third party knowledge of such documentation without Rotakorn's consent.

6. Any drawings or technical documents relating to the manufacture of a product or part thereof, provided by the purchaser to Rotakorn, shall remain the purchaser's property. Rotakorn shall not use or copy, reproduce, release or otherwise give a third party knowledge of such documentation without the purchaser's consent.

## Confidentiality

7. Information, including technical information and relations to clients and other business contacts, to which the parties become privy in the course of their collaboration, and which is not common knowledge, shall not be divulged to a third party through the release of documentation or in any other manner beyond what is necessary for the party's execution of, or interest in, the contract. Each party shall ensure compliance with this confidentiality requirement by means of confidentiality agreements signed by its personnel or other appropriate means. The confidentiality requirement shall endure beyond the completion or termination of the contract.

## Packaging

8. Any pricing quoted in price lists and catalogues is deemed to apply to unpackaged goods.

## Acceptance testing

9. If acceptance testing been agreed, the testing shall be performed by a supplier approved by Rotakorn. If the contract does not include test specifications, the testing shall be performed in accordance with the norms generally applied within the relevant industry.

10. Rotakorn shall inform the purchaser of acceptance testing and shall provide the purchaser with a test protocol which shall constitute binding proof with respect to the pertinent test parameters.

11. If acceptance testing shows that the goods fail to meet contractual requirements, both parties have the right to rescind the contract

12. The costs relating to acceptance testing shall be born as agreed between the parties. If no agreement is reached, they shall be born in equal parts.

## Delivery

13. If the parties have agreed on a delivery clause it shall be interpreted according to INCOTERMS valid when the agreement is entered into. If no delivery clause has been agreed upon delivery is made "Ex Works".

## Delivery period

14. Delivery is made ex Rotakorn's warehouse. Time of delivery shall be reckoned from the latest of the following dates:

- (a) The date the contract was concluded;
- (b) the date Rotakorn was informed of any necessary licenses or other permits;
- (c) the date Rotakorn received payments contractually required to be made before delivery;

If Rotakorn finds it impossible to maintain a contractual delivery date, or expects a delay, Rotakorn should promptly inform the purchaser in writing, stating the reason for the delay and, if possible, the estimated date of delivery.

15. If delivery is prevented or impeded due to a circumstance specified in Clause 34, or by the purchaser's action or negligence, the delivery period shall be extended accordingly. This provision shall apply regardless whether the circumstance in question occurs before or after expiry of the agreed delivery period.

16. If Rotakorn fails to deliver a product within 10 days after the agreed delivery date, or within 10 days after the extended period determined under the provisions of Clause 15, the purchaser shall be entitled to rescind the contract. Rotakorn's responsibility towards the purchaser is limited to an obligation to repay any already paid part of the purchase price.

17. If the purchaser finds that he cannot accept delivery of the goods on the agreed date, he shall promptly inform Rotakorn in writing, stating the reason for the delay and, if possible, when he expects being able to accept delivery. Purchaser who fails to accept delivery on the agreed date shall nevertheless be liable for payment as if the goods had been duly delivered.

18. If the purchaser's failure in terms of Clause 17 is not due to a circumstance referenced in Clause 34, Rotakorn may call upon the purchaser in writing to take delivery of the goods within a reasonable period.

If the purchaser, regardless of the reason, fails to comply, Rotakorn is entitled to cancel the contract by written notice to the purchaser with respect to the portion of the goods that remains undelivered due to the purchaser's failure.

19. Purchaser who fails to take delivery of the goods at the agreed time shall be liable for the risk of damage to the goods and is obliged to compensate Rotakorn for any costs associated with care, storage and insurance of the goods.

Should Rotakorn cancel the contract pursuant to Clause 18, he shall be entitled to compensation by the purchaser in an amount commensurate with the purchase price of the goods, less any amount that Rotakorn may save by not making the delivery to the purchaser. Rotakorn is expected to use his best efforts to sell the goods to a third party.

## Pricing and payment

20. Rotakorn shall be entitled to compensation for cost increases resulting from taxes, customs duties, official levies and exchange rate fluctuations after the date of his offer. If the contractual delivery date is extended by more than six months by agreement, Rotakorn shall not be bound by the contracted price, but shall in such case be entitled to a price that is reasonable on the basis of Rotakorn's generally applicable pricing as of the date of delivery.

21. Payment shall be made within 30 days of the invoice date. If the purchaser fails to make payment by due date, Rotakorn shall be entitled

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to statutory late payment interest. If the purchaser, for reasons other than those referenced in Clause 34, has not paid the overdue amount within three months, Rotakorn may cancel the contract by notifying the purchaser in writing and shall be entitled to compensation by the purchaser under the provisions of Clause 19, second paragraph.

## Retention of title

22. If it appears unlikely that the purchaser will fulfill his legal obligations under the contract, or if Rotakorn cancels the contract, Rotakorn shall have the right to repossess the goods. Until full payment has been made, the buyer shall not without Rotakorn's written consent dispose of the goods in a manner that could jeopardize Rotakorn's right to repossession. No acceptance or promissory note shall be considered as payment until fully redeemed.

## Liability for defects

23. The seller undertakes to remedy any defects arising from faulty construction, materials or manufacture in accordance with Clauses 24-29.

24. The purchaser is required to examine the goods within two weeks after receipt. If there is reason to believe that a product defect in the product a written complaint must be made immediately.

Rotakorn's liability shall be limited to defects reported by the purchaser within 60 days from the contractual delivery date, or a subsequent date on which Rotakorn fulfilled its obligations in accordance with an agreed delivery clause.

25. Any replaced or re-manufactured components are covered by warranty on the same terms and conditions as those applicable to the original product for a period of 14 days

26. On receipt of the purchaser's written notice concerning a defect in the meaning of Clause 23, Rotakorn shall remedy the defect without delay and, except as provided in Clause 27, at his own expense. The purchaser shall return any defective component in the meaning of Clause 23 to Rotakorn for repair or replacement, unless Rotakorn chooses to execute the repairs at the purchaser's location.

By delivering a duly repaired or replaced component to the purchaser, Rotakorn shall be deemed to have fulfilled his obligations under this clause with respect to the defective component.

Instead of addressing a defect, Rotakorn may refund the purchase price, in which case the purchaser must return the goods essentially unchanged and undiminished or, if this proves impossible, credit Rotakorn with an amount equal to the value of the retained goods when settling the account. The amount which the seller is required to repay to the purchaser shall be reduced by the amount the purchaser reasonably should pay for deriving profit and benefit from the goods, as well as an amount commensurate with the depreciation of the goods.

27. The purchaser shall bear the cost and risk of transporting defective components to Rotakorn, whereas Rotakorn shall bear the cost and risk of transporting any replaced or repaired goods to the destination specified in the contract or, if no such destination is stated, to the place of delivery.

28. Any defective components replaced pursuant to Clause 28 shall be placed at Rotakorn's disposal.

29. If Rotakorn, despite being requested to do so, fails to meet his obligations within a reasonable period pursuant to Clause 26, the purchaser may, at his option, have necessary repairs carried out or new goods manufactured at the seller's expense provided that the purchaser exercises due diligence in doing so, or, if the defect is of fundamental importance to the purchaser and this was or should have been apparent to Rotakorn, may cancel the contract with respect to the portion of the goods which could not be used as intended due to Rotakorn's negligence. In such case, settlement shall be made pursuant to Clause 26, third paragraph.

Rotakorn's obligation to carry out the measures referenced in Clause 26 and compensate the purchaser pursuant to the present paragraph shall

be limited to a total amount not exceeding 5 per cent of the price of the goods.

30. Rotakorn's obligation due to any defects in the goods is limited to either deliver new goods or repay the purchase price. Rotakorn's responsibility for the purchaser's costs and/or losses because of defect(s) in the goods is limited to SEK 25 000.

## Intellectual Property Rights

31 Rotakorn is not responsible for the goods, its trademark or information of origin infringe the right of any third party. The purchaser shall perform necessary investigation for the avoidance of infringement in third party's right by the sale and/or use of the goods. The Purchaser shall indemnify and hold Rotakorn harmless for any and all costs Rotakorn may suffer due to the purchaser's use and/or sale of the goods.

32. If the goods, its trademark or information of origin infringe the right of any third party, the purchaser shall, as soon as this should have been noticed and not later than 60 days from the day of delivery, give Rotakorn notice about this. If notice is given as aforesaid, the purchaser is entitled to return the goods and get the purchase price repaid.

## Product liability

33. The purchaser shall indemnify and hold Rotakorn harmless to the extent that Rotakorn incurs liability towards any third party in respect of loss or damage for which Rotakorn is not liable towards the purchaser according to the second and third paragraphs of this clause. Rotakorn shall have no liability for damage 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 purchaser's possession,
- b/ to products manufactured by the purchaser or to products of which the purchaser's products form a part or
- c) on persons.

The above limitations of Rotakorn's liability shall not apply if Rotakorn has been guilty of gross negligence.

If a third party lodges a claim for compensation against seller or purchaser for loss or damage referred to in this Clause, the other party to the contract shall forthwith be notified thereof in writing.

Rotakorn and the purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal which examines claims against either of them based on damage or loss alleged to have been caused by the goods. The liability as between Rotakorn and the purchaser shall, however, always be settled in accordance with Clause 42.

## Force majeure

34. If execution of the contract is prevented or impeded by circumstances such as war, official acts, insurrection, restricted energy supply, labor disruptions, prohibitions, injunctions, the withholding of licenses, accidents, unfavorable transport or weather conditions, or failed deliveries from sub-contractors, which a party could not reasonably have foreseen at the time of concluding the contract, and the effects of which he likewise could not reasonably have prevented or overcome, shall be granted commensurate relief from his obligation to deliver, or take delivery of, the goods according to the contract.

35. In the event of a circumstance referenced in Clause 34, the affected party should promptly advise the other party in writing.

36. In addition to the purchaser's right to cancel the contract due to late delivery pursuant to Clause 16, and Rotakorn's right to cancel the contract due to the purchaser's failure to take delivery of the goods pursuant to Clause 18, or pay for it pursuant to Clause 21, either party shall have the right to cancel the contract by giving written notice to the other party if completion of the contract is prevented for a period of six months due to a circumstance referenced in Clause 34.

## Limitation of liability

37. In the event of circumstances which render a party liable under the present terms, any damages shall be limited to such loss as could reasonably have been foreseen at the time the contract was concluded as

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a typical result of said circumstances and shall be subject to the additional limitations referenced in Clauses 38 and 39.

38. A party alleging breach of contract is obliged to take reasonable measures to limit the resulting damage. Should he fail to do so, any damages to which he would otherwise have been entitled shall be reduced or forfeited.

39. The total amount which Rotakorn may have to pay to the purchaser as a result of the purchase shall be limited to the lesser of 15 per cent of the price of the goods and 10 times the base amount stipulated in the General Insurance Act (SFS 1962:381).

## **Statute of limitation**

40. Any claim against Rotakorn shall be forfeit unless court or arbitration proceedings pursuant to Clause 42 are initiated within two years from the delivery of the goods.

## **Export and import licenses, re-export restrictions etc.**

41. The purchaser undertakes:

- (a) To participate as necessary in obtaining export or import licenses for the purchased goods, in this context providing information that is correct and complete in all respects;
- (b) In the event of re-export of the goods, or other product containing all or part of the purchased goods, to obtain the necessary permits and comply with applicable regulations;
- (c) In the event of re-sale, to impose the same obligations on the new purchaser as those applicable to the purchaser under (b) above.

## **Jurisdiction and arbitration**

42. In the event of default, Rotakorn's claim for payment of the purchase price shall be enforceable by application for a summary judgment (betalningsföreläggande). Disputes concerning less than 10 times the base amount (basbelopp) stipulated in the General Insurance Act (SFS 1962:381) shall be settled in a general court of law.

If the Purchaser is Swedish also other disputes shall be settled in a general court of law. If the Purchaser is not Swedish other disputes arising from the contract shall not be submitted to a court of law through claims, counterclaims or offsetting claims but shall be resolved in Sweden by an arbitrator under current legislation concerning arbitration and the application of Swedish law.

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