

## HOLMS INDUSTRI AB

### GENERAL TERMS AND CONDITIONS

#### 1. General

- 1.1 These General Terms and Conditions shall form part of every contract between Holms Industri AB and/or its subsidiaries ("Holms") and a distributor (the "Distributor") regarding Holms' sale of goods that are manufactured or otherwise made available by Holms (hereinafter referred to as the "Product").
- 1.2 Any specific terms and conditions agreed in writing between the parties shall take precedence over these General Terms and Conditions.

#### 2. Product information

- 2.1 Data in product information and price lists are binding only to the extent that they are expressly referred to in a contract.
- 2.2 An Operator Instruction Manual are supplied with each Product.

#### 3. Holms requirements on Distributers

- 3.1 To be entitled to purchase Products from Holms a Distributer must fulfil certain general requirements. The Distributer must be a registered public limited company or a private limited company considered creditworthy by Holms.
- 3.2 The Distributer must further substantiate that the Distributer is an established trading company dealing with similar products and/or vehicles that are suitable for use with Holms' Products.
- 3.3 The Distributer must provide a repair service of Holms' Products. The repair service function must be approved by Holms.
- 3.4 Should the Distributer, at any time, not be able to verify to Holms that the Distributer fulfils the requirements set out in section 3.1-3.3 above, Holms reserves the sole, exclusive and discretionary right to refuse all and any orders for Products, spare parts and other items, if any, from such Distributer.

#### 4. Formation of contract

- 4.1 A contract of sale shall be deemed to have been entered into first when Holms has sent an acceptance of an order (order confirmation) in writing.
- 4.2 Possible offers or quotations from Holms shall be valid for thirty (30) days from the date of the offer or quotation, unless otherwise specifically agreed.
- 4.3 Any Terms and Conditions of the Distributer contained in any purchase order or otherwise unilaterally provided by the Distributer shall to the extent these Terms and Conditions are not consistent with these General Terms and Conditions not apply and thus be of no validity.

#### 5. Delivery

- 5.1 Unless specifically agreed between the parties, delivery shall be Free Carrier (FCA, Incoterms® 2010), Holmsvägen 54, Motala, Sweden. For delivery of Products to distributors in Sweden, see section 5.2.
- 5.2 To Distributers in Sweden, delivery of Products, excluding spare parts and other items, are Delivered at Place (DAP Incoterms® 2010), named place of destination in Sweden.
- 5.3 Because of the character of the Products sold, Holms cannot have any set times of delivery. The time of delivery will however be given in the order confirmation (the "Agreed time of delivery").
- 5.4 If an order confirmation has been issued, stating a date of Agreed time of delivery, and delivery is not carried out on that date, the Distributer has a right to request information from Holms regarding the delay, such as the reason for the delay and when delivery can be estimated to take place.
- 5.5 Holms is not responsible for delays caused by a delay on a transporter's or a subcontractor's side.
- 5.6 Except as provided for in article 5.4, the Distributer shall have no other remedies available whatsoever with regards to delay in delivery.
- 5.7 If the Distributer becomes aware of that they will be unable to accept delivery of the Product on the agreed date, or if delay on his part seems likely, he shall without undue delay notify Holms thereof in writing stating the reason for the delay and, if possible, the time when he will be able to accept delivery. If the Distributer fails to accept delivery on the Agreed time of delivery, he shall nevertheless make any payment which is dependent on delivery as if the Product in question had been delivered. Holms shall arrange storage of the Product at the Distributer's risk and expense. If the Distributer so requires, Holms shall insure the goods at the Distributer's expense.
- 5.8 When receiving delivery of the Product, the Distributer shall verify that the Product is in conformity (regarding quality and quantity) with the purchase order. The Distributer shall immediately examine the Product in order to identify damages or losses or other shortcomings in the Product arising from the transport of the Product or otherwise.

#### 6. Price and payment

- 6.1 The Distributer shall pay the price for the Product as set forth below and in the, from time to time, valid Holms price list less the Distributers discount.

- 6.2 Unless otherwise is agreed, the prices are exclusive of VAT, taxes and any other governmental charges.
- 6.3 Holms reserves the right to request advance payment from the Distributor.
- 6.4 Unless otherwise agreed, the agreed purchase price, together with value added tax, if any, shall be invoiced and the invoiced amount becomes due within thirty (30) days after the invoice date or, if the parties have agreed on other payment date, in accordance with what is stated on the invoice.
- 6.5 If the Distributor fails to pay, Holms shall be entitled to interest from the due date at the rate of interest in accordance with the Swedish Interest Act (1975:635). If the Distributor fails to pay by the due date, Holms may also, after having notified the Distributor in writing thereof, suspend performance of Holms' all and any contractual obligations towards the Distributor until full payment is made.
- 6.6 If the Distributor has failed to pay the amount due within three months after the due date, Holms may terminate the contract by written notice to the Distributor and may, in addition to interest pursuant to Section 6.5 above, claim compensation for the loss Holms has suffered. The compensation shall not exceed the agreed purchase price.
- 6.7 The Distributor shall always state the invoice number when making payments.
- 6.8 If the Distributor wishes to dispute an invoice, the dispute of the invoice shall be sent to Holms in writing within eight (8) days from the invoice date. Disputes received later than eight days from the date of the invoice will not be addressed by Holms.
- 7. Retention of title etc.**
- 7.1 The Product shall remain the property of Holms until paid for in full, to the extent that such retention of title is valid in accordance with applicable law.
- 8. Liability for defects**
- 8.1 Holms is certified in accordance with ISO 9001 by Bureau Veritas. Holms Product, when applicable, complies with the EC Machinery Directive. Holms Products are CE-marked.
- 8.2 Holms' undertaking to rectify defects in the Products shall apply for a period of maximum twelve (12) months from the date of delivery to the Customer (user). Holms' undertaking to rectify defects in the Products will come to an end twenty four (24) months from the date of delivery to the Distributor.
- 8.3 Holms' liability does not cover defects caused by circumstances, which arise after the risk has passed to the Distributor. The liability does not, for example, cover defects due to conditions of operation deviating from those anticipated in the contract or to improper use of the Product. Nor does it cover defects due to faulty maintenance or incorrect installation from the Distributor's side, alterations undertaken without Holms written consent or faulty repairs by the Distributor. Finally the liability does not cover normal wear and tear or deterioration.
- 8.4 If the Product is used more intensely than agreed, the period during which Holms undertakes to rectify defects in the Products, shall be reduced proportionately. The Distributor must before Holms accepts any form of liability, have completed and submitted a machine registration card to Holms upon delivery of the Product to the Customer (user). Holms must be notified of any defects within sixty (60) days of the discovery (or the same period after the date when it reasonably should have been detected) of the defect for Holms to be liable for the defect.
- 8.5 The Distributor shall notify Holms in writing of a defect without undue delay after the defect has appeared and in no case later than two weeks after the expiry of the liability period defined in Section 8.2, using the assigned "Claims Form" on Holms' website stating the machine number of the Product. The notice shall contain a description of how the defect manifests itself. If the Distributor fails to notify Holms in writing within the above time limits, they loses the right to make any claim in respect of the defect. If there is reason to believe that the defect may cause damage, notice shall be given forthwith. If notice is not given forthwith, the Distributor loses the right to make any claim based on damage which occurs and which could have been avoided if such notice had been given.
- 8.6 After sending a written notice under section 8.5, the Distributor shall remedy the defect without undue delay. The repair work shall be carried out by the Distributor or be arranged by the Distributor.
- 8.7 Holms shall supply the Distributor with spare parts after receiving a claim under section 8.5. The spare parts will initially be invoiced. Should Holms in its own discretion decide that the defect is subject to Holms liability, the cost for the spare part will be credited to the Distributor's account.
- 8.8 Defective parts must be returned to Holms so they can be investigated by Holms, in order to establish the origin of the defect.
- 8.9 Should Holms, in its own discretion, decide that the defect is subject to Holms liability, Holms will refund the cost of returning the defected part returned in accordance with section 8.7 to the Distributor.
- 8.10 If the defect is substantial Holms must be notified before the repair work commences. Holms reserves the right to choose whether the defective Product or defective part of the Product is to be repaired or if it is to be replaced. Should Holms decide that the defect is to be repaired Holms reserves the right to decide a reasonable number of refundable working hours to complete the repairs.
- 8.11 If the Distributor gives such notice as referred to in section 8.5, and no defect is found for which Holms is liable, Holms shall be entitled to compensation for the work and costs which Holms has incurred as a result of the notice.
- 8.12 If remedy of the defect requires intervention in other equipment than the Product, the Distributor shall be responsible for any work or costs caused thereby.

- 8.13 All transports in connection with repair or replacement shall be at the Distributor's risk and expense unless otherwise set forth herein. The Distributor shall follow Holms' instructions regarding how the transport shall be carried out.
- 8.14 The Distributor shall bear any increased costs for remedying a defect which Holms incurs when the Product is located elsewhere than at the destination stated in the purchase agreement or – if no destination has been stated – the place of delivery.
- 8.15 Defective parts, which have been replaced under section 8, shall be placed at Holms' disposal and shall become Holms' property.
- 8.16 If the defect is substantial and the same defect remains even after at least three (3) rectification attempts, the Distributor may instead of repair or replacement terminate the contract regarding sale of the defective Product by written notice to Holms. In case of termination, the Distributor shall be entitled to compensation for proven loss or damage the Distributor has incurred. The compensation shall not, however, exceed fifteen (15%) per cent of the price for the Product.
- 8.17 Regardless of other provisions in this section 8, Holms shall have no liability for defects in any part of the Products for more than two (2) years from the start of the liability period referred to in section 8.2.
- 8.18 Holms shall have no liability for defects save as stipulated in this section 8. This applies to any loss the defect may cause, such as loss of production, loss of profit and other consequential economic loss. This limitation of Holms' liability shall not apply, however, if the defect has occurred as a result of Holms' gross negligence or intentional misconduct.
- 9. Reimbursements**
- 9.1 If a Product is found to be defective Holms will either replace the defective Product or reimburse the cost of repairs including working hours, travelling time and service vehicle mileage in accordance with rates at Holms' website.
- 10. Spare Parts**
- 10.1 Spare parts are available either directly from Holms or via Distributors. On Holms' website, a list of Holms' Distributors is set out as guidance for purchases.
- 10.2 Spare parts are delivered Free Carrier (FCA Incoterms® 2010) Holmsvägen 54, Motala, Sweden.
- 10.3 Holms spare parts lists are available on Holms' website. To find the article number for the spare part in question, enter the machine type or serial number to access the correct list.
- 10.4 There is a right of return during thirty (30) days for spare parts bought from and stocked by Holms. A copy of the packing or freight note must be enclosed when returning spare parts to Holms.
- 11. Force Majeure**
- 11.1 The following circumstances shall constitute grounds for relief if they impede the performance of the

contract or makes performance unreasonably onerous: industrial disputes and any other circumstance beyond the control of the Parties, such as fire, war, mobilization 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 section. The above described circumstances shall constitute grounds for relief only if their effect on the performance of the contract could not be foreseen at the time of formation of the contract.

- 11.2 The Party wishing to claim relief under Section 11.1 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 Distributor from fulfilling his obligations, he shall reimburse the expenses incurred by Holms in securing and protecting the Product.
- 11.3 Notwithstanding other provisions of these General Terms and 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 Section 11.1.
- 12. Governing law and dispute resolution**
- 12.1 The General Terms and Conditions shall be construed in accordance with and be governed by the substantive laws of Sweden.
- 12.2 Any dispute arising out of or in connection with the General Terms and Conditions shall be settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the Institute). The Institute's Rules for Expedited Arbitrations shall apply unless the Institute, in consideration of the complexity of the case, the value of the claim, and other circumstances determines that the Arbitration Rules shall apply to the proceedings. In the latter case, the Institute shall also determine whether the arbitration board shall be composed of one or three arbitrators. The place of arbitration shall be Stockholm, Sweden.
- 12.3 Notwithstanding section 12.2 above, Holms may instigate claims against the Distributor in any competent court in the jurisdiction where the Distributor's principal place of business is located.