

General Conditions for the supply of spare parts

Application

1. General conditions for the supply of spare parts given below are applicable when both parties have agreed them in writing or by other means, save for any variations agreed in writing by both parties.

Whenever these General Conditions use the term in writing, this shall mean by document signed by the parties, or by letter, fax, electronic mail and by such other means as are agreed by the parties.

Performance data, drawings and descriptions

- 2.1. All performance data issued for the products are according to EN 12900.
- 2.2. All information regarding weight, dimensions, price, technical and other data stated in catalogues, prospectuses, circulars, advertisements, illustrations and price lists constitutes an approximate guide only. Such information is binding only to the extent expressly stated in the Contract.
3. Johnson Controls will supply free of charge not later than at the beginning of the period stated in Clause 18, all relevant information and drawings, except the manufacturing drawings. This information shall be sufficiently detailed to enable the Purchaser to install, start up, operate and maintain all parts of the supply (including running repairs). Drawings, technical documents or other technical information received by the Purchaser shall not, without the consent of Johnson Controls, be used for any other purpose than that for which they were provided. They may not, without the consent of Johnson Controls, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

Substitution

4. Johnson Controls reserves the right to substitute any part whatsoever of the specified equipment for another part whatsoever of the specified equipment for another part of equal quality and function as the part originally specified.

Packing

5. Unless otherwise stipulated, the prices stated in quotations and contracts include the cost of standard packing materials and other protection necessary to avoid damage to, or deterioration of, the contents until they have been delivered to their agreed destinations under normal transport conditions.

Performance tests

6. Unless otherwise agreed, contractual tests are carried out in Johnson Controls' factory during normal working hours. If technical requirements for the tests are not otherwise specified in the Contract, they shall be carried out in accordance with normal practice at Johnson Controls.
- 7.1 Johnson Controls shall give sufficient notice of the tests to enable the Purchaser's representative to be present. If the Purchaser is not represented, Johnson Controls shall submit the test report to the Purchaser who cannot dispute its accuracy.
- 7.2 Normal performance tests at Johnson Controls mean pressure tests of all parts manufactured by Johnson Controls in accordance with appropriate, national codes and/or requirements from Classification Societies relevant to the supply.
8. If any part of the supply is found defective or not in accordance with the Contract, Johnson Controls shall remedy the defect as soon as possible, or ensure that the supply complies with the Contract. At the Purchaser's request, a further test will then be carried out. But if the defect is minor, a new test cannot be demanded.
9. Unless otherwise agreed Johnson Controls is responsible for all costs connected with performance tests carried out on Johnson

Controls' premises other than the personal expenses of the Purchaser's representative. For performance tests on site, all expenses are the responsibility of the purchaser.

Passing of risk and time of delivery

10. With the exception of the reservation in Clause 12, the risk passes at the time of delivery ex works, in accordance with the International Rules for the Interpretation of Trade Terms (Incoterms) of the International Chamber of Commerce in force on the date of signing of the Contract.
11. The time of delivery to be calculated from the day Johnson Controls has received all technical details necessary for the fulfilment of the Contract. Moreover, the time of delivery is subject to the observance of the terms of payment.
 - 12.1. If the Purchaser finds that he cannot accept delivery on the agreed date, or that a delay on his part is likely, he should immediately notify Johnson Controls in writing, giving the reason for the delay and, so far as possible, the new date on which delivery can take place.
 - 12.2. If the Purchaser fails to accept delivery of completed parts of the Contract on the date agreed, he is liable for payment of storage expenses on presentation of storage receipts, as if delivery had been effected. Johnson Controls shall arrange for the parts to be stored at the expense and risk of the Purchaser. Johnson Controls shall also insure the consignment at the Purchaser's request and for his account.
- 13.1. Johnson Controls shall be entitled to demand in writing that the Purchaser accepts delivery of the Contract within a reasonable period unless the Purchaser's omission to do so (Clause 12), is due to circumstances arising out of Clause 28.
- 13.2. If the Purchaser, for whatsoever reason, does not accept delivery within a reasonable period, Johnson Controls shall be entitled to cancel, in writing, that part of the Contract which has not been adhered to due to the Purchaser's omission. Furthermore, Johnson Controls may demand compensation for any loss sustained by the Company due to the Purchaser's neglect. The compensation not to exceed the value of the undelivered part of the Contract in question.

Payment

14. Unless otherwise agreed: (Johnson Controls internal rules)

For 100% of order amount by opening of an irrevocable letter of credit, at the time specified in the Contract, with a recognized bank, advised through and confirmed by a Nordea DK-1786 Copenhagen V and payable with the said Danish bank against shipping documents.

The letter of credit shall stipulate:

1. Transshipment permitted
2. Partial shipment permitted
3. Shipment from any Western European port/air port permitted.

All expenses in connection with the opening and handling of the letter of credit shall be paid by the Purchaser.

15. The contract goods shall remain the property of Johnson Controls until payment has been made in full, to the extent that such retention of ownership is valid according to existing law. Bills of exchange or instruments of debt shall not be considered payment until fully paid.
- 16.1. If the Purchaser does not pay within the time stipulated Johnson Controls is entitled to charge interest on overdue payments from the date of payment at the rate of 5% above the highest official bank rate in Denmark at the time in question.

- 16.2. If the Purchaser fails to pay the amounts due within a period of three months for reasons other than those stated in Clause 28, Johnson Controls is entitled to advise the Purchaser in writing that the Contract is cancelled and to demand compensation from the Purchaser for all losses suffered. The compensation cannot exceed the value of the unpaid part of the contract goods.

Warranty

17. Johnson Controls undertakes, in accordance with Clauses 18 to 26, to correct all defects which are due to faulty design, manufacture or materials.
18. Johnson Controls' liability covers defects discovered within 12 months from the time of the passing of the risk in accordance with Clause 10.
19. Where parts of the supply have been substituted or repaired as per Clause 17, Johnson Controls will accept the same liability valid for the original supply, for a period of 12 months. This provision shall not apply to other parts of the supply for which the periods referred to in Clause 18 may only be extended by the period during which the supply was incomplete due to defects covered by Clause 17.
- 20.1. The Purchaser shall without undue delay notify Johnson Controls in writing of any defect which appears. Such notice shall under no circumstance be given later than two weeks after the expiry of the period given in Clause 18.
The notice shall contain a description of the defect.
If the Purchaser fails to notify Johnson Controls in writing of a defect within the time limits set forth in the first paragraph of this Clause, he loses his right to have the defect remedied.
When the defect is such that it may cause damage, the Purchaser shall immediately inform Johnson Controls in writing. The Purchaser shall bear the risk of damage resulting from his failure so to notify.
- 20.2. On notification in writing by the Purchaser concerning any defects covered by Clause 17, Johnson Controls shall immediately make good the deficiency by replacing or repairing the faulty parts on the same terms and conditions as valid for the original supply.
- 20.3. The handing over to the Purchaser of any parts properly repaired, or replacement by new parts, is to be considered fulfilment of Johnson Controls' liability according to Clause 20.1. concerning defective parts.
21. Any defective parts substituted in accordance with Clause 20 shall be placed at Johnson Controls' disposal. Unless otherwise agreed, the transportation of such parts to Johnson Controls is for the account and risk of the Purchaser.
22. If Johnson Controls in spite of requests fails to fulfil any obligation covered by Clause 20 within a reasonable period, the Purchaser is entitled to effect such necessary repairs or to procure replacement parts for the account and risk of Johnson Controls, provided this is done in a reasonable and sensible manner, or – if the defect is considered of essential importance to the Purchaser, and if Johnson Controls realizes or should have realized this – to cancel that part of the Contract which is not operative due to Johnson Controls' neglect.
23. Johnson Controls' liability shall not comprise defects arising out of materials supplied by the Purchaser, or out of designs stipulated by the Purchaser.
24. Johnson Controls' liability covers defects only which appear when the parts are operating under normal conditions and for purposes agreed in the Contract. Liability shall not cover defects due to faulty maintenance or incorrect installation on behalf of the Purchaser, any alterations made without the written consent of Johnson Controls, faulty repairs carried out by the Purchaser, or normal wear and tear.
25. When the risk for the contract goods has passed to the Purchaser, Johnson Controls is no longer liable for any defects other than what is laid down under Clauses 17 to 24 and Clause 26. This

applies to any loss the defects may occasion such as loss of profits, loss of earnings, and other indirect losses. This limitation of Johnson Controls' liability is not valid if Johnson Controls is guilty of gross negligence.

26. Notwithstanding the conditions laid down in Clauses 17 to 26, Johnson Controls' liabilities mentioned therein are not valid for any part of the contract goods beyond a period of two years from the commencement of the period mentioned in Clause 18.

Product liability

- 27.1. Johnson Controls shall only be liable for personal injury if it is proved that such injury was caused by errors or gross negligence on the part of Johnson Controls or others for whom Johnson Controls is responsible.
- 27.2. Johnson Controls shall not be liable for damage to property which occurs when the contract goods are in the possession of the Purchaser. Nor shall Johnson Controls be liable for damage to products manufactured by the Purchaser or to other products of which the Purchaser's products form a part. Apart from these limitations, Johnson Controls shall be liable for damage to property on the same conditions as for personal injury.
- 27.3. Johnson Controls shall in no circumstances be liable for loss of production, loss of profit or other consequential damage or indirect loss.
- 27.4. To the extent Johnson Controls might incur product liability towards any third party, the Purchaser shall indemnify Johnson Controls as far as Johnson Controls' liability has been limited by the Clauses 27.1., 27.2. and 27.3.
- 27.5. If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter shall forthwith inform the other party thereof.

Johnson Controls and the Purchaser shall be obliged to let themselves be summoned to the court examining claims for damages lodged against one of them on the basis of damage allegedly caused by the contract goods. However, the contractual relationship between Johnson Controls and the Purchaser shall always be settled by arbitration in accordance with Clause 33.

- 27.6. The above limitations in Johnson Controls' liability shall not apply where Johnson Controls has been guilty of intent or gross misconduct.

Force majeure

28. The following circumstances shall be considered relief from responsibility when they occur after the signing of the Contract, when they prevent its fulfilment.

Industrial disputes and any other circumstances beyond the control of the parties such as fire, war, mobilization or unforeseen military conscription to a corresponding extent, requisitioning, seizure, currency restrictions, insurrection and disturbances, shortage of transport, general shortage of materials, rejection of major projects, restrictions in the use of power, and defects in or delays in supplies from sub-contractors owing to any of the above mentioned circumstances.

29. The party wishing to claim relief by reason of any of the circumstances referred to in Clause 28 shall notify the other party in writing without delay both on the occurrence and on the cessation thereof.
30. Either party shall be entitled to give notice in writing to the other party of termination of the Contract when its fulfilment within a reasonable time becomes impossible owing to any of the circumstances mentioned in Clause 28. This provision shall not result in any limitation in what is stipulated in Clauses 13 and 16.

Limitation of damages

31. If either party has to pay compensation to the other party, the compensation shall only cover such damage as the party

responsible could reasonably have foreseen at the time of the signing of the Contract, and indirect damage only in the circumstances mentioned in Clauses 25 and 27.

32. The party who invokes breach of the Contract shall be under an obligation to take all necessary steps to limit the loss which has occurred as far as possible without undue cost or inconvenience. If he fails to do so the other party may claim a reduction in the amount of compensation.

Disputes

33. Disputes arising out of the Contract and any supplement thereto as well as disputes concerning any legal matters referred to or arising out of the Contract shall be settled according to Danish law, and at Johnson Controls option by arbitration in accordance with the Law of Arbitration valid at the time, or by The Maritime and Commercial Court in Copenhagen