

# General Trading Terms

Latest update: 01 March, 2009

In line with good business practice in Denmark, we would like to clearly state to all of our domestic as well as overseas clients, which general trading terms prevail when doing business with Østergaard Group. In the following the abbreviation ØG is used for Østergaard Group and GTT is used as abbreviation for General Trading Terms.

The GTT of ØG are available upon request and always publicized on our official web-site. Moreover, to ensure that all clients, business partners and agents are fully aware of our GTT, all quotations and order confirmations issued by ØG clearly refer to our official GTT. All clients, business partners and agents have therefore been made aware of the existence of such GTT and have de facto accepted our GTT when doing business with our ØG.

The GTT are under constant review and from time to time updated, however, always follow prevailing Danish law. ØG is registered in Denmark as per prevailing registry's act/law under the Ministry of Finance & Commerce (Erhvervs- og Selskabsstyrelsen) with trading license and registration number (CVR-nr.): DK28001770 under the name registered name of Østergaard Group @ 4x4 v/Kim Østergaard.

Our trading license and registration number are, according to Danish law, mentioned on all company letterhead as well as our bank details.

In the following paragraphs we wish to communicate the official GTT of ØG to all existing and potential clients, business partners and agents.

## **(1) Payment Terms**

Unless otherwise agreed in writing by both ØG and the buyer, ØG standard payment terms apply, which are net cash with order i.e. payment in advance to ØGs prevailing bank/bank account number.

ØG accepts no responsibility for any such payments made to wrong account numbers, wrong companies other than ØGs official bank/bank account number.

In the event that payment is agreed by means of Letter of Credit, ØG reserves the right to issue Letter of Credit instructions prior to the establishment of such a Letter of Credit, which must be adhered to.

ØG reserves the right to reject any such Letters of Credit, which have not been issued in accordance with ØG instructions.

## **(2) Late Payment Charges**

In the event that ØG has approved credit terms to a client, a business partner or an agent, and payment is received later than the agreed date, ØG reserves the right to charge late payment charges, which are currently 2% calculated per current month on accrued, outstanding balance, with a minimum fee, however, of € 250.

## **(3) Order Cancellation**

According to Danish Law, ØG is – in case an order is cancelled – entitled to a charge a cancellation fee if deemed necessary by ØG of 15% of complete the order value to cover incurred administrative charges, miscellaneous costs and lost revenues, irrespective of whether or not full payment, partial payment or no payment has been received.

In the event of an order cancellation and ØG deems it necessary to charge a cancellation fee – and - ØG is in receipt of either full or partial payment, ØG can balance its cancellation fee against any payments received from the buyer.

In the event that full or partial payment has been received and it is agreed to reimburse client, business partner or agent, ØG accepts no charges such as interest, banking fees, etc., unless otherwise agreed in writing signed by the CEO of ØG.

In the event that ØG has not received the agreed payment in full on the date agreed, ØG reserves the right to wholly cancel the order, unless otherwise agreed in writing.

Because of the nature of the business (shipment to disaster areas and/or areas under development) delays do occur and are completely beyond the control of ØG since caused by or deriving from shipping lines, shipping line agents, air lines/carriers and air line agents, freight forwarders, congestion situations, shortshipments, etc. As an integral part of the GTT, ØG is dependant on third party and acts de facto merely as agent or intermediary between third party and the buyer – without any legal obligation for ØG, whatsoever.

As a result, ØG, principally speaking, does not agree to cancel an order, unless otherwise agreed in writing.

#### **(4) Delays in Delivery**

Because of the nature of the business (shipment to disaster areas and/or areas under development) delays do occur and are completely beyond the control of ØG since caused by or deriving from shipping lines, shipping line agents, air lines/carriers and air line agents, freight forwarders, congestion situations, shortshipments, etc. ØG is dependant on third party and acts de facto merely as agent or intermediary between third party and the buyer – without any legal obligation for ØG, whatsoever, as part of the GTT.

ØG naturally endeavours to always work exclusively with the most efficient and professional partners with highest possible standards and track records in shipping as a whole in order to minimize delivery times in order to try and avoid delays.

However, as a result of the fact that ØG does depend on third party, ØG principally speaking, does not agree to pay any damages or penalties caused by such delays in delivery, unless otherwise agreed in writing.

#### **(5) Insurance**

ØG currently holds an international transport insurance agreement with Tryg Forsikring A/S, which allows ØG to arrange for transport insurance on behalf the buyer as part of the GTT. Tryg Forsikring A/S (Forsikring = Insurance), is currently the largest insurance company in Scandinavia with very good track records.

It is an agreement for a general, overall policy based upon standard international insurance and underwriter terms.

On any claims, where ØG has arranged for marine insurance on behalf of the buyer, there is a deductible of €400 which will be deducted from any given payable amount to the buyer from the insurance company.

ØGs general transport insurance, which we sign with Tryg Forsikring A/S on behalf of our clients, usually covers ‘all risk’ including pilferage, damages and theft, however, excluding war and strike situation.

As for general comprehension and mutual understanding of international trading terms used, where insurance is involved, such as CIP, CIF, etc., please refer to the following INCOTERMS 2000 paragraph (6).

## (6) Incoterms 2000

EXW	Ex Works	The risk is transferred when the seller places the goods at the disposal of the buyer as provided in the contract (works, stock, factory, etc.)
FCA	Free Carrier	The risk is transferred when the seller delivers the goods into the custody of the carrier named by the buyer at the named point / place
FAS	Free Along Shipside	The risk is transferred alongside the vessel at the loading berth named by the buyer at the named port of shipment
FOB	Free on Board	The risk is transferred when the goods have effectively passed the ship's rail at the named port of shipment.
CFR	Cost & Freight	The risk is transferred when the goods have effectively passed the ship's rail at the named port of shipment
CIF	Cost Insurance & Freight	The risk is transferred like FOB when the goods have effectively passed the ship's rail at the port of shipment. The seller must provide a policy of marine insurance in accordance with minimum cover of Institute Cargo Clauses or any similar set of clauses, covering from transfer of risk until unloading at the port of destination
CPT	Carriage paid to	The risk is transferred when the seller has delivered the goods into the custody of the first carrier
CIP	Cost and insurance paid to...	The risk is transferred like CPT when the seller has delivered the goods into the custody of the first carrier. The seller must provide a policy of marine insurance in accordance with minimum cover of Institute Cargo Clauses, covering from transfer of risk until the named point of destination.
DAF	Delivered at frontier	The risk is transferred when the seller places the goods at the disposal of the buyer at the named place of delivery at the frontier (duty unpaid)
DES	Delivered ex ship	The risk is transferred when the seller places the goods effectively at the disposal of the buyer on board the vessel at the named port of unloading
DEQ	Delivered at the quay	The risk is transferred when the goods are placed to the disposal of the buyer on the quay at the port of destination, duty paid. NB! If the parties wish that the buyer should clear the goods for import and pay the duty the words (duty unpaid) should be added instead of (duty paid)
DDU	Delivered Duty unpaid	The risk is transferred when the seller places the goods at the disposal of the buyer at the named place of destination (duty unpaid)
DDP	Delivered duty paid	The risk is transferred when the seller places the goods at the disposal of the buyer at the named place of destination (duty paid)

## (7) General Statement

In the following, ØG wishes to draw attention to our company policy on certain points, which are important for ØG to communicate to all its existing or potential clients.

ØG does **not** want to deal with, do business with, associate with or in any other form interact with companies, organisations or private individuals who are involved in any kind of illegal activities such as:

- arms trade
- breach of trade embargoes
- smuggling of cars/ parts/accessories/etc.,

- production of counterfeit/falsified parts/accessories/etc.,
- production and/or sale of illegally copied parts/accessories/etc.,
- breach of patent rights,
- money laundering,
- general contract and law infringements

ØG does **not** want to deal with, do business with, associate with or in any other form interact with companies, organisations or private individuals who:

- do not respect Human Rights
- do not respect Geneva Conventions
- are involved in underpaid child labour in any form
- are involved in illegal slanderous activity in any form
- are involved in
- are involved in illegal trade of animals in any form
- are involved in illegal activity in any form which harms natural environment or habitats

ØG reserves the right to immediately break off all business relations, freeze funds received and report its findings/knowledge to any local and/or international law enforcement authorities any such activity without prejudice and without any possible recourse against ØG.

Management – Odense, Denmark 01 March, 2009