

# GENERAL CONDITIONS

NLS 95 E

*for the Supply of Standard Bulk Goods such as Mechanical, Electrical and Electronic Components, Screws and Nails.*

*Issued in 1995 by the Organisations for the Engineering Industries in Denmark, Finland, Norway and Sweden.*

*(Hovedorganisationen Dansk Industri, Denmark; Suomen Metalliteollisuuden Keskusliitto - Finlands Metallindustris Centralförbund r.y. Finland; Teknologibedriftenes Landsforening, Norway; Sveriges Verkstadsindustrier, Sweden)*



## Preamble

1. These General Conditions shall apply when the parties agree in writing or otherwise thereto. Deviations from the Conditions shall not apply unless agreed in writing.

## Packaging

2. Prices quoted in offers and agreements shall, unless otherwise specified, be deemed to include the Seller's standard packaging.

## Quantity and Weight

3. Reservations regarding deviations from the agreed weight or quantity shall not be valid unless expressly agreed between the parties.

## Product Information

4. Data contained in product information and price lists are binding only to the extent that they are by reference expressly included in the contract.

## Delivery

5. Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the contract.

If no trade term is specifically agreed the delivery shall be considered to be Ex Works.

## Time for delivery. Delay

6. If delay in delivery is caused by a circumstance which under Clause 18 shall be considered a case of relief or by an act or omission on the part of the Buyer, the time for delivery shall be extended by a period which is reasonable having regard to the circumstances in the case. The time for delivery shall be extended even if the reason for delay occurs after the originally agreed time for delivery.

7. If the Seller fails to deliver the goods on time, the Buyer may by written notice to the Seller fix a final reasonable time for delivery and inform the Seller of his intention to terminate the contract unless delivery takes place within such final time. If delivery has not taken place within such final time, the Purchaser shall be entitled to terminate the contract by written notice to the Seller. If the delay is such as to significantly deprive the Buyer of the benefit of the contract, or if it is clear from the circumstances that such a delay will occur the Buyer may forthwith terminate the contract by written notice to the Seller.

8. If the Buyer terminates the contract in accordance with Clause 7 he shall be entitled to compensation from the Seller for the increased cost that he incurs in procuring corresponding goods from another source. Any other claim from the Buyer in respect of the Seller's failure to deliver in time is hereby expressly excluded.

If the Buyer does not terminate the contract, he shall not, unless otherwise specifically agreed, be entitled to any compensation for the Seller's failure to deliver in time.

## Payment

9. Unless otherwise agreed, payment shall be made 30 days after delivery and sending of the invoice.

If the Buyer fails to take delivery on the agreed date, payment shall nevertheless be made as if delivery had taken place according to the contract.

10. If the Buyer fails to pay by the agreed date, the Seller shall be entitled to interest from the day on which payment became due at the rate of interest payable under the law concerning late payments in the Seller's country. If the Seller's country is Denmark, the rate of interest shall be nine percentage points above the official Danish discount rate.

11. If the Buyer has not paid the amount due within three months the Seller shall be entitled to terminate the contract by written notice to the Buyer and, in addition to interest, claim compensation for the loss he has suffered. The compensation shall not exceed the agreed price.

## Retention of Title

12. The goods shall remain the property of the Seller until paid for in full to the extent that such retention of title is valid under the applicable law.

## Liability for Defects

13. During a period of one year after delivery the Seller undertakes to deliver new goods in replacement of any goods which are defective as a result of faulty design, materials or workmanship.

14. The Buyer shall without undue delay notify the Seller in writing of any defects in the goods. If the Buyer fails to do so he shall forfeit his right to delivery of replacement goods under Clause 13.

15. If the Seller after having received the Buyer's notice under Clause 14 fails to deliver replacement goods within a reasonable time, the Buyer may by written notice terminate the contract in respect of the defective goods.

If the Buyer terminates the contract he shall be entitled to compensation from the Seller for the increased cost that he incurs in procuring corresponding goods from another source.

**16.** Save as stipulated in Clauses 13 and 15 the Seller shall have no liability for defects or for failure to deliver replacement goods. This applies to any loss the defect may cause, including but not limited to loss of production, loss of profit and any other consequential economic loss. This limitation of the Seller's liability shall, however, not apply if he has been guilty of gross negligence.

#### **Liability for Damage to Property Caused by the Goods**

**17.** The Buyer shall indemnify and hold the Seller harmless to the extent that the Seller incurs liability towards any third party in respect of any damage for which the Seller according to the second and third paragraphs of this Clause is not liable towards the Buyer.

The Seller shall not be liable for loss or damage caused by the goods

- a) to any (movable or immovable) property where the damage occurs while the goods are in the Buyer's possession, or
- b) to products manufactured by the Buyer or to products of which the Buyer's products form a part or for loss or damage to any property, where the damage is caused by these products because of the goods.

The Seller shall under no circumstances be liable for loss of production, loss of profit or any other consequential economic loss.

The above limitations in the Seller's liability shall not apply where the Seller has been guilty of gross negligence.

If a claim for loss or damage as described in this Clause is raised by a third party against either party to the contract, the latter shall forthwith notify the other party thereof.

The Seller and the Buyer shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal which examines claims against either of them, where the claim is based on damage alleged to have been caused by the goods. The liability as between the Seller and the Buyer shall however always be settled by arbitration in accordance with Clause 20.

#### **Grounds for Relief (force majeure)**

**18.** The following circumstances shall be considered as 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, currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstance as referred to in this Clause.

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.

**19.** The party intending to claim relief shall notify the other party in writing without delay on the occurrence and on the cessation of such circumstance. If a ground for relief does not cease within three months either party may terminate the contract by written notice to the other party.

#### **Disputes, Applicable Law**

**20.** Disputes arising out of or in connection with the contract shall not be brought before the court, but shall be finally settled by arbitration in accordance with the law on arbitration applicable in the Seller's country.

**21.** All disputes arising out of the contract shall be judged according to the law of the Seller's country.