

General Terms and Conditions of Sale and Delivery of Expanite A/S, Expanite Inc. and Expanite GmbH.

1. Introduction

When requesting that Expanite A/S, Expanite Inc. or Expanite GmbH (hereinafter referred to as “Expanite”) provides specific services (hereinafter referred to as “Services”) in relation to the customer’s Goods (hereinafter referred to as “Goods” or “Parts”), it then follows, that the customer hereby agrees that the following terms and conditions of Sale and Delivery (hereinafter referred to as “Terms”) apply to all offers, customer purchase orders, and deliveries; Expanite do not accept any contrary provisions or otherwise deviations from our Terms and Conditions of Sale and Delivery unless clearly agreed with the validity of such in writing.

When Expanite accepts a purchase order or offer from the customer (hereinafter referred to as “Customer”) for the delivery of Expanite Services, then acceptance is expressly conditioned on assent by the Customer to our Terms and Conditions of Sale and Delivery. Special terms and conditions specified in the Customer's order or elsewhere are not valid unless Expanite expressly has accepted the special terms and conditions in writing.

All Customer Parts and orders are treated by Expanite on a limited liability basis as provided in the Terms herein.

2. Offers/Prices

Expanite’s offer, which is always issued as per a specific offer in writing or via order confirmation, is subject to changes and will not be legally binding before the technical Expanite process is finally defined. Unless confirmed in writing, any verbal offer or verbal addition to an offer are null and void.

The information supplied by the Customer for preparing the offer (drawings, specifications, samples or similar) is considered as true and binding; also the Customer is responsible for the content and technical feasibility, which Expanite is not required to verify.

All offers by Expanite are open for acceptance within 90 days from the date thereof.

Prices are excluding value added tax (VAT). Possible supplements will be stated in the offer.

The cost of any change to an order requested by the Customer after the date of issuing the order confirmation shall, if such change is accepted by Expanite, be borne by the Customer.

The Customer agrees to take all responsibilities related to compliance with all applicable import/export laws of the United States or any foreign country the Goods come from when delivered to an Expanite facility or are delivered to after the Services have been completed.

3. Obligations of the Customer in relation to Goods - inbound

The Customer warrants that the parts will not pose any danger to Expanite’s personnel or facilities. All Customer Goods sent for Expanite treatment (inbound) shall be accompanied by a Customer purchase order and/or delivery note which shall include the following information:

- 1) Designation, number of units, net weight, and value of the Goods.
- 2) Identification of parts, referring to drawing numbers or other unique identification.
- 3) Material grade (Standard designation and treatment recommendations)
- 4) The desired Expanite surface hardening process; in particular if similar Parts requires different treatments.
- 5) Unless otherwise agreed and stated in the quote or order, the customer shall provide adequate and appropriate equipment and personnel for off-loading its Goods at Expanite’s facility, and must ensure that heavy or bulky parts have the appropriate fixing and transport devices.
- 6) The Customer is responsible for providing proper packing instructions and packing material for re-use.

The Customer undertakes to deliver the Parts to be treated in a condition suitable for treatment. Condition suitable for treatment in this sense means that the Parts to be treated are free from oil and grease, from scale, grease wax, cooling and machining lubricants and specifically, that the Customer has investigated and found the Parts suitable for processing taking into account Expanite's technical reservations stated under section 12.

4. Delivery conditions

The Customer's Goods/Parts shall continue to be at the expense and at the sole risk of the Customer at all time and specific during any transport to and from Expanite's treatment facilities, during loading and unloading as well as while located at Expanite's facility or at any third-party subcontractor. Expanite bears no responsibility for insuring the Goods of the Customer. If the Goods are damaged during transit in Expanite's vehicles, during treatment at a third-party subcontractor or during loading and unloading by Expanite's personnel and if Expanite is responsible for such damage, then the Customer accepts that Expanite's liability to the Customer or any other for the damaged Goods is limited to two times the price of the delivered Expanite Service, however not exceeding a maximum of EURO 10,000.

Unless otherwise agreed in writing, delivery term is Ex. Works (Incoterms® 2020-EXW), i.e. the delivery is at the Customer's expense and risk. Place of delivery and performance is at Expanite's respective Treatment centers. The terms EXW/place of delivery also applies if Expanite has assumed the cost of transport or paid for the transport in advance for the customer or made partial deliveries. Delivery is considered carried out when the Goods are reported ready for pickup. By the absence of any instructions from the Customer, then means of transport and route will be chosen by Expanite using best estimate. In any case, when Goods have been reported ready for pickup, the risk of incidental loss or incidental deterioration of the Goods will pass on to the customer.

The Customer must clearly state to Expanite in writing if the Customer requests a special mode of transport and/or requests insurance coverage from a transport insurance policy for the return of any kind of Parts. In these cases, special arrangement must be agreed upon including taking out a transport insurance policy and the Customer must bear all costs incurred. This applies even if Expanite has incurred the costs of transport.

Unless otherwise explicitly agreed in writing, all stated delivery times are only approximate delivery times. In all cases, preconditions for fulfilment of our delivery obligations are that Expanite has received Parts on time and in a proper state ready for treatment. Expanite is not liable for any losses the Customer may have as a result of late delivery, regardless of the cause of the delay.

5. Packaging

The Customer is responsible for providing proper packing of Parts to protect Parts in any giving situation including against various weather conditions, damage after impact and other risks of transport. Customer shall use packing materials suitable for re-use for the return transport. As far as possible, Expanite returns the treated Parts in the same packaging and packaged in the same way as the Parts were received. If this is not possible, Expanite reserves the right to invoice the costs associated with obtaining appropriate packaging to the Customer.

6. Duty of inspection/complaint

Immediately upon receipt of the treated Parts, and before the Parts are used, the Customer shall examine the Parts in order to ensure that there are no defects and deficiencies in the delivery.

Claims for defects and deficiencies, which should be identified during the above-mentioned examination, must be sent within 8 calendar days after receipt of the Parts. If a claim relating to such defects and deficiencies is not sent within 8 calendar days, the Customer forfeits his right to complain to Expanite about such defects and deficiencies.

7. Return of Goods

Returning of Goods due to complaints can only be done after prior agreement with Expanite. The Customer is obliged to protect the returned Goods in a proper manner in order not to incur further damage to the Goods. If the Goods are not returned in a proper manner, Expanite is entitled to reject the returned Goods.

8. Payment terms

Expanite's payment terms are as a standard 30 days net from the date of billing. The Customer is not entitled to withhold payment due to any counterclaims which Expanite has not acknowledged in writing. By late payment, 2% interest per commenced month from the due date is charged. If the customer does not comply with the agreed payment terms, Expanite is not committed to any subsequent / remaining deliveries and Expanite shall be compensated for any costs, including reasonable attorney fees, incurred for any actions related to the collection of any amounts owed by the Customer.

Expanite reserves the right on any past due accounts to place past due accounts on Cash-on-Delivery status and/or suspend performance of any order for the Customer.

9. Liability and remedying of defects – “Expanite Limited Warranty”

Expanite will perform the Services in a good and workmanlike manner in accordance with the agreed Customer order and such Services will be free from material defects.

Expanite makes no warranty, either expressed or implied, that the Goods serviced by Expanite shall be merchantable or fit or suitable for any particular use or purpose. Expanite makes no other warranty, express or implied, except as is expressly set forth herein all such other warranties being hereby disclaimed.

The Customer has the duty to inspect the treated Parts immediately upon receipt of the Parts, and all claims must be sent within the “Warranty period” which is defined as the time from of the return of Parts and the earlier of (i) the time following section 6 of these Terms (ii) the time that the Parts are put into use or sold to others or before any further assembling, processing or other alteration has been done on the Parts in question (iii) 90 days. All claims for breach of warranty must be reported in writing to Expanite within the Warranty period.

Expanite assumes – as far as possible and for a maximum of 12 months from the date of delivery – the obligation to correct errors or defects in the Parts supplied if the Parts proves to have errors or defects, and the errors or defects can be proved to be Expanite's responsibility, with the following limitations:

- The Customer's allowance granted for possible errors or defects can never exceed the price of the delivered Expanite Service, unless otherwise agreed in writing.
- The obligation shall be void in case of improper storage and incorrect installation/application.
- In the event of rejected claims, Expanite reserves the right to invoice the costs associated with processing such a claim.

All warranties of Expanite are void if (i) the Parts are misused or modified following the delivery to the Customer (ii) the Parts are improperly or incorrectly stored after delivery to or collection by Customer (iii) the Customer has made any use of the Goods after it first discovers (or should have reasonably been able to discover) that such Parts were damaged, defective or the subject of incorrect Services.

Expanite shall have no liability for shrinkage, expansion, deformity, or rupture of the Goods resulting from the Services, including heat treatment, or otherwise except by written agreement.

Expanite shall not be liable for any special, indirect, incidental, consequential or liquidated damages in connection with the Services to the Goods or for the breach of any of the obligations owed to Customer.

The Customer recognizes that there are certain risks involved in the Services performed by Expanite. Accordingly, in the event, that a legal liability of Expanite is established for any cause or reason whatsoever, including, without limitation for breach of warranty, the sole and exclusive liability of Expanite and the exclusive remedy of Customer shall be for Expanite, at its sole option, to re-perform the Services to the Parts at no charge or to provide the Customer with an amount equal to Customer's documented direct and actual damages, provided such damages shall not exceed two times the amount of the original charges for the Services to the Goods that gave rise to the liability (first, to reimburse for the charges and secondly, as full payment for all damages sustained by Customer or damaged person whether actual, general, incidental, indirect, punitive, consequential, special or otherwise).

10. Ownership

The Customer acknowledge that Expanite's business is primarily providing the Services to the Goods and that Expanite has developed expertise and know-how over many years and has patents for the technology that may be useful in providing the Services to the Customer. The Customer further acknowledges that Expanite may perform Services and other services (including services the same or similar as those provided to the Customer and including Services to the same or similar Goods as those of Customer) in the normal course of its business for its other customers, without restrictions. If the parties, individually or jointly, develop inventions, whether patentable or not, or other confidential information, in connection with the Services to the Goods under these Terms, then the parties agree that, with respect to the Services, Expanite shall be the sole owner thereof and the Customer shall have no rights therein except as may be acquired by purchase of Services from Expanite, and that, with respect to the Goods, that the Customer shall be the sole owner thereof and Expanite shall have no rights therein except in the performance of Services.

Especially for business conducted with Expanite Inc.:

The Customer receiving confidential information will adhere to the United States Export Administration Laws and Regulations and will not export or re-export any technical data or products received from the disclosing party or the direct product of such technical data to any proscribed country listed in the United States Export Administration regulations.

11. Governing Law/Jurisdiction

The present conditions will be interpreted in accordance with Danish law and jurisdiction. All disputes related to the Customer's decision shall be settled by arbitration in accordance with the Danish Arbitration Institute's then-current procedural rules.

12. Technical reservations / comments.

ExpaniteLow-T[®], ExpaniteHigh-T[®], SuperExpanite[®], ExpaniteHard-Ti[®] and any other deliverables from Expanite are processes developed to increase the surface hardness of stainless alloys including austenitic, ferritic, martensitic and duplex alloys, as well as precipitation-hardening stainless steels, nickel-based alloys and titanium alloys.

- It is required that Parts received for treatment are clean. This includes that Parts are free from residues of oil, grease etc. If required, Expanite can clean the Parts (see separate price list).
- It is required that Parts received for treatment are deburred and free of shavings.
- Sensitive areas and sharp edges must be marked for safe handling.
- Former processing of the Parts affects the final hardening result. It is therefore important, that Expanite is informed about prior treatment of the Parts, including heat treatment and mechanical processing

- An Expanite treatment may result in dimensional growth, shrinkage or distortion in the order of microns. If the tolerances of the Parts treated are within this range, Expanite recommends conducting test runs to establish if and how the Expanite treatment affects the tolerances.
- The Expanite treatment may introduce compressive stresses in the affected surface near zone and therefore surface roughness may increase.
- For Parts that includes welding, the welding material should be in the same alloy category (austenitic, martensitic, ferritic etc.) as the Parts itself.

13. Force Majeure

Expanite shall not be responsible for breach or delays in performance due to war, acts of God or of the public enemy, acts of government, fire, floods, strikes, labor trouble, interruption of utilities, inability to obtain supplies, gases or fuel, sabotage, equipment problems, freight or transportation shortage or delays, and other delays or causes beyond its control.