

## Ísfell's sales terms and condition

### Application

1. These delivery terms apply if the parties have agreed to them in writing or otherwise confirmed. If the delivery terms apply to a delivery, any deviations must be agreed upon in writing. When the word "written" is used in these terms, it means a document signed by both parties, or a letter, fax, email, or other forms agreed upon by the parties.

### Product Information

2. Information in product descriptions and price lists is only binding to the extent that the agreement explicitly refers to them.

### Technical Documents and Technical Information

3. All drawings and other technical documents regarding the material or its manufacture, delivered from one party to the other before or after the agreement, remain the property of the party that delivered them.

4. Received drawings, other technical documents, or technical information may not be used for any purpose other than the one for which they were delivered without the consent of the other party. Without the consent of the other party, they must not be copied, reproduced, delivered to a third party, or otherwise brought to their knowledge.

### Price

5. All prices are exclusive of VAT, freight, and packaging unless otherwise specified in writing in the agreement.

6. For orders to be delivered later than 30 days from the order date, the right to price increases for documented costs is reserved. Public charges of any kind change with effect from the date of the law or regulation coming into force.

### Delivery

7. If a delivery clause is agreed upon, it shall be interpreted according to the INCOTERMS in force at the time of the agreement. If no delivery clause is specifically agreed upon, delivery shall be "Ex Works."

### Delivery Time. Delay

8. If the parties have specified a period within which delivery shall take place instead of a specific delivery date, this period runs from the date of the agreement.

9. If Ísfell finds that it cannot deliver on time, or if a delay on Ísfell's part is likely, Ísfell shall without undue delay notify the buyer in writing, stating the

reason for the delay and, as far as possible, the expected delivery date.

10. If the delivery is delayed due to a circumstance that constitutes a ground for exemption under point 33 or due to an act or omission by the buyer, including Ísfell's suspension of performance under point 14, the delivery time shall be extended by a period that is reasonable under the circumstances. The delivery time shall be extended even if the cause of the delay occurs after the originally agreed delivery time.

11. If the buyer finds that they will not be able to receive the material on the agreed date, or if a delay on their part is likely, they shall without undue delay notify Ísfell in writing, stating the reason for the delay and, as far as possible, the expected date of receipt. If the buyer fails to receive the material on the agreed date, they are still obliged to make any payment dependent on delivery as if the material had been delivered. Ísfell shall arrange for the storage of the material at the buyer's expense and risk. If the buyer requests it, Ísfell shall insure the material at the buyer's expense.

12. Unless the buyer's failure to receive the material as mentioned under point 11 is due to circumstances specified under point 33, Ísfell may in writing, request the buyer to receive the material within a reasonable period. If the buyer fails to do so within this period for reasons not attributable to Ísfell, Ísfell may, by written notice to the buyer, terminate the agreement concerning the part of the material ready for delivery that is not delivered due to the buyer's failure. In such a case, Ísfell is entitled to compensation for the damage caused by the buyer's negligence. The compensation amount must not exceed the part of the purchase price that applies to the part of the material covered by the termination.

### Payment

13. Unless otherwise specified in the agreement, the agreed purchase price plus any VAT shall be invoiced at the agreed delivery date of the material. The amounts are due for payment 15 days after the invoice date unless otherwise agreed.

14. If the buyer does not pay on time, Ísfell is entitled to interest on arrears from the due date at the rate applicable under the legislation in the seller's country on interest on late payments. If the buyer does not pay on time, Ísfell is also entitled, after giving the buyer written notice, to suspend the performance of its contractual obligations until payment is made.

15. If the buyer has not paid the overdue amount within 3 months, Ísfell is entitled, by written notice to the buyer, to terminate the agreement and, in addition to interest on arrears, to claim compensation from the

buyer for the loss suffered. The compensation must not exceed the agreed purchase price.

### Retention of Title

16. The material remains the property of Ísfell until it is fully paid to the extent that such retention of title is valid.

### Liability for Defects

17. Ísfell is obliged to remedy all defects due to errors in design, material, or manufacture by repairing or replacing the material in accordance with points 20-30 below. Ísfell's liability does not cover defects caused by material provided by the buyer or by designs prescribed or specified by them.

18. Ísfell's liability does not cover defects arising from causes occurring after the risk has passed to the buyer. The liability does not cover defects arising from the failure to follow the working conditions specified in the agreement or from incorrect use of the material. It also does not cover defects due to inadequate maintenance or incorrect assembly by the buyer, changes made without Ísfell's written consent, or repairs carried out incorrectly by the buyer. Finally, the liability does not cover normal wear and tear and deterioration.

19. Ísfell's liability for products (or the part of the sold product) purchased from Ísfell's subcontractors is limited to the liability Ísfell can assert against its subcontractors.

20. Ísfell's liability only covers defects that appear within one year from the day the material was delivered. If the material is used more intensively than agreed, this period is correspondingly shortened.

21. For parts that are replaced or repaired in accordance with point 17, Ísfell assumes the same obligations as for the original material for a period of one year. For the remaining parts of the material, the period mentioned in point 20 is only extended by the period during which the material could not be used due to defects for which Ísfell is responsible.

22. The buyer shall notify Ísfell in writing of a defect within 14 days after the defect has appeared and in no case later than 2 weeks after the period specified in point 20, or the extended period under point 21, has expired. The notification shall contain a description of how the defect manifests itself. If the buyer does not notify Ísfell in writing of a defect within the specified periods, the buyer loses the right to make a claim based on the defect. If there is reason to believe that the defect may cause damage, notification shall be given immediately. If notification is not given immediately, the buyer loses the right to make a claim based on damage that occurs and that

would have been avoided if such notification had been given.

23. After receiving written notification from the buyer in accordance with point 22, Ísfell shall remedy the defect. The remedy within this period shall take place at a time that does not unnecessarily disrupt the buyer's business. Ísfell must bear the costs of this in accordance with the rules in points 17-29. The repair is carried out at the buyer's premises unless Ísfell finds it appropriate for the defective part or possibly the material to be returned for Ísfell to repair or replace it at its premises. If the disassembly and reassembly of the part require special expertise, Ísfell is obliged to carry out such disassembly and reassembly. If such expertise is not required, Ísfell's obligation concerning the defective part is fulfilled when Ísfell delivers a duly repaired or replaced part to the buyer.

24. If the buyer has given such notification as mentioned in point 22, and it turns out that there is no defect for which Ísfell is responsible, Ísfell is entitled to compensation for the work and costs incurred by the complaint.

25. If the remedy of the defect involves intervention in anything other than the material, the buyer is responsible for the work and costs associated with this.

26. Any shipment in connection with repair or replacement shall be at Ísfell's expense and risk. The buyer shall follow Ísfell's instructions regarding the method of shipment.

27. The buyer shall bear the additional costs for Ísfell in remedying the defect caused by the material being located at a place other than the specified destination in the agreement or, if not specified, the place of delivery. Travel and transport expenses for rectifying defects outside Iceland shall be covered by the buyer.

28. Defective parts replaced under point 17 shall be made available to Ísfell and become Ísfell's property.

29. If Ísfell does not fulfill its obligations under point 23 within a reasonable time, the buyer shall give Ísfell a final deadline for fulfillment in writing. If the obligations are not fulfilled within the set deadline, the buyer has the right, at their option, to:

a) have the necessary repairs carried out and/or have new parts manufactured at Ísfell's expense and risk, excluding costs Ísfell would not have been responsible for in its own remedy of the defect. It is assumed that the buyer proceeds in a reasonable and sensible manner and that Ísfell is sent a price estimate with a final reasonable deadline for remedy.

or

b) demand a price reduction limited to 15% of the agreed purchase price. If the defect is significant, the buyer may instead terminate the agreement by written notice to Ísfell. The buyer also has the right to terminate the agreement if the defect remains significant after the measures mentioned under a). Upon termination, the buyer may claim compensation for the loss suffered, limited to 15% of the agreed purchase price.

30. Regardless of what is determined under points 17-29, Ísfell's liability for defects does not apply to any part of the material longer than 2 years from the beginning of the period mentioned in point 20.

31. Ísfell has no liability for defects beyond what is prescribed in points 17-30. This applies to any loss the defect may cause, such as loss of production, loss of profit, and other economic consequential losses. This limitation of the seller's liability does not apply if Ísfell has been guilty of gross negligence.

#### **Liability for Property Damage Caused by the Material**

32. The buyer shall indemnify Ísfell to the extent that Ísfell is held liable to third parties for such damage and loss that Ísfell is not liable for to the buyer under the second and third paragraphs. Ísfell has no liability for damage caused by the material:

a) to real estate or movable property and the consequences of such damage if the damage occurs while the material is in the buyer's possession,

b) to products manufactured by the buyer or to products in which the buyer's products are included.

The mentioned limitations of the seller's liability do not apply if Ísfell has been guilty of gross negligence. If a third party makes a claim against the seller or buyer for compensation for damage and loss covered by this point, the contracting party shall immediately notify the other party in writing. The seller and buyer are mutually obliged to let them be summoned to the court handling the compensation claim against one of them, based on damage or loss alleged to have been caused by the delivered material. The internal relationship between the buyer and seller shall always be decided in accordance with point 36.

#### **Exemption Grounds (Force Majeure)**

33. The following circumstances shall be considered grounds for exemption if they prevent the fulfillment of the agreement or make the fulfillment unreasonably burdensome: labor conflict and any other circumstance beyond the control of the parties, such as fire, war, mobilization or military call-ups of

similar scope, requisition, seizure, trade and currency restrictions, riots and disturbances, shortage of transport means, general shortage of goods, restrictions in the supply of power, and defects in deliveries from subcontractors or delays in such deliveries due to circumstances mentioned in this point. Circumstances as mentioned are only grounds for exemption if their effects on the fulfillment of the agreement could not be foreseen at the time of the agreement.

34. The party wishing to invoke a ground for exemption as mentioned under point 33 shall immediately notify the other party in writing, both of the occurrence of the hindrance and its cessation. In the event of force majeure on the part of the buyer, the buyer shall cover the costs incurred by Ísfell to secure and protect the material.

35. Regardless of what is otherwise determined in these provisions, either party may terminate the agreement by written notice to the other party if the fulfillment of the agreement is prevented for more than 6 months by an event mentioned in point 33.

#### **Disputes. Choice of Law**

36. Disputes arising from the agreement and everything related to it shall be decided under judicial review. Héraðsdómur Reykjavíkur is the agreed venue.

37. All disputes arising from the agreement shall be judged according to Icelandic law.

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