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# General Terms of Delivery IML 2000

***Adopted in 1999 by the Swedish Association of Suppliers of Instrumentation, Measuring Techniques and Components (IM) affiliated with the Swedish Federation of Trade***

## *Area of application*

*1. These general terms of delivery shall apply unless changed by written agreement between the parties. In the absence of written confirmation in conjunction with conclusion of the contract, no statements or information shall override the provisions of these terms of delivery or in any other respect influence the contents of the contract.*
*These regulations are not applicable to software included in the delivery insofar as the software is subject to separate conditions.*

## *Drawings and descriptions*

*2. All information concerning weight, dimensions, capacity, price, technical or other data in catalogues, brochures, circulars, advertisements, illustrations and price lists are approximate. Such information is binding only when expressly referenced in the contract.*
*3. Unless otherwise agreed, any drawings or technical documents provided by the seller and relating to the manufacture of a product or part thereof shall remain the seller's property. The purchaser shall not use or copy, reproduce, release or otherwise give a third party knowledge of such documentation without the seller's consent.*
*4. Any drawings or technical documents relating to the manufacture of a product or part thereof, provided by the purchaser to the seller, shall remain the purchaser's property. The seller shall not use or copy, reproduce, release or otherwise give a third party knowledge of such documentation without the purchaser's consent.*

**Confidentiality**

5. Information relating to circumstances, including technical information and relations to clients and other business contacts, to which the parties become privy in the course of their collaboration, and which is not common knowledge, shall not be divulged to a third party through the release of documentation or in any other manner beyond what is necessary for the party's execution of, or interest in, the contract. Each party shall ensure compliance with this confidentiality requirement by means of confidentiality agreements signed by its personnel or other appropriate means. The confidentiality requirement shall endure beyond the completion or termination of the contract.

## *Packaging*

*6. Any pricing quoted in price lists and catalogues is deemed to apply to unpackaged goods.*

## *Acceptance testing*

*7. Unless otherwise agreed, any contractual acceptance testing shall be carried out in the seller's facility during normal working hours. If the contract does not include test specifications, the testing shall be performed in accordance with the norms generally applied within the relevant industry in the country where the goods are being manufactured.*
*8. The seller shall inform the purchaser of acceptance testing in sufficient time to allow the purchaser's representative to attend. If the purchaser is not represented at the testing, the seller shall provide the purchaser with a test protocol which shall constitute binding proof with respect to the pertinent test parameters.*
*9. If acceptance testing shows that the goods fail to meet contractual requirements, the seller shall promptly take measures to bring the goods into compliance with the contract. Renewed testing shall then be performed at the purchaser's request. Insignificant defects shall not justify a demand for renewed testing.*
*10. All costs relating to acceptance testing performed in the seller's facility are for the seller's account. The purchaser is responsible for his own expenses, such as travel costs and per-diems for himself and any assistants attending the testing.*

## *Delivery and delivery period*

*11. Delivery is made ex seller's warehouse. Time of delivery shall be reckoned from the latest of the following dates:*
*(a) Date the contract was concluded;*
*(b) Date the seller was informed of any necessary licences or other permits;*
*(c) Date the seller received payments contractually required to be made before commencement of production;*
*(d) Date the seller received all technical data and instructions necessary for the delivery.*
*Seller who finds it impossible to maintain a contractual delivery date, or expects a delay, should promptly inform the purchaser in writing, stating the reason for the delay and, if possible, the estimated date of delivery.*
*12. If the contractual delivery period is approximate, either party is entitled, when two-thirds of such delivery period has elapsed, to request the other party in writing to agree on a definite date.*
*If no delivery period is stated in the contract, either party may submit a request in accordance with the preceding clause six months after signing the contract. The date thus determined shall constitute the contractual delivery date.*
*13. If delivery is prevented or impeded due to a circumstance specified in Clause 34, or by the purchaser's action or negligence, the delivery period shall be extended accordingly. This provision shall apply regardless whether the circumstance in question occurs before or after expiry of the agreed delivery period.*
*14. If the seller fails to deliver a product by the agreed delivery date, or within the extended period determined under the provisions of Clause 13, the purchaser shall be entitled to penalties if it is reasonable in the circumstances to assume that the purchaser has suffered damage, and provided the purchaser submitted a claim for penalties immediately when the delay occurred.*
*The following percentages and maximum amounts shall apply to the referenced penalties:*

> *0.5% per week of the portion of the agreed price applicable to the part of the goods that could not be used as intended due to the delay. If the base amount for calculation of the penalty exceeds SEK 500,000, a penalty of 0.25% per week shall be assessed on the exceeding amount. The penalty, which is calculated for every complete week of delay reckoned from the agreed delivery date, shall not exceed 7.5% of the portion of the purchase price applicable to the part of the goods that could not be used as intended.*

*Without prejudice to the provisions of Clause 16, the purchaser's right to penalties shall preclude any other claim arising from the seller's late delivery of the goods.*
*15. Purchaser who becomes entitled to maximum penalties pursuant to Clause 14 shall be entitled to cancel the contract with respect to the part of the goods on which the maximum penalty was calculated, provided he has demanded delivery in writing and given notice of his intention to cancel the purchase if delivery is not made within a reasonable grace period and the seller fails to deliver the good before the expiry of said grace period.*
*The purchaser shall also be entitled to cancel the purchase of any previously delivered portion of the goods which obviously cannot be used for their intended purpose without the component that is subject to cancellation under the preceding paragraph, and the seller was or should have been aware of this circumstance.*
*16. Purchaser who cancels an order or part thereof pursuant to Clause 15 shall be entitled to compensation, subject to the limitations stipulated in Clauses 37-39, for any additional expenses incurred in the procurement of a replacement (compensation for price difference) or costs incurred if he elects not to procure an alternative product.*
*17. If the purchaser finds that he cannot accept delivery of the goods on the agreed date, he should promptly inform the seller in writing, stating the reason for the delay and, if possible, when he expects being able to accept delivery.*
*Purchaser who fails to accept delivery on the agreed date shall nevertheless be liable for payment as if the goods had been duly delivered.*
*18. If the purchaser's failure in terms of Clause 17 is not due to a circumstance referenced in Clause 34, the seller may call upon the purchaser in writing to take delivery of the goods within a reasonable period.*
*If the purchaser, regardless of the reason, fails to comply, the seller is entitled to cancel the contract by written notice to the purchaser with respect to the portion of the goods that remains undelivered due to the purchaser's failure.*
*19. Purchaser who fails to take delivery of the goods at the agreed time shall be liable for the risk of damage to the goods and is obliged to compensate the seller for any costs associated with care, storage and insurance of the goods.*
*Should the seller cancel the contract pursuant to Clause 18, he shall be entitled to compensation by the purchaser in an amount commensurate with the purchase price of the goods, less any amount that the seller may save by not making the delivery to the purchaser. The seller is expected to use his best efforts to sell the goods to a third party.*

## *Pricing and payment*

*20. Unless otherwise agreed, the seller shall be entitled to compensation for cost increases resulting from taxes, official levies and exchange rate fluctuations after the date of his offer.*
*If the contractual delivery date is extended by more than six months by agreement or in accordance with Clause 13, the seller shall not be bound by the contracted price, but shall in such case be entitled to a price that is reasonable on the basis of his generally applicable pricing as of the date of delivery.*
*21. Payment shall be made within 30 days of the invoice date. If the purchaser fails to make payment by due date, the seller shall be entitled to statutory late payment interest.*
*If the purchaser, for reasons other than those referenced in Clause 34, has not paid the overdue amount within three months, the seller may cancel the contract by notifying the purchaser in writing and shall be entitled to compensation by the purchaser under the provisions of Clause 19, second paragraph.*

## *Retention of title*

*22. If it appears unlikely that the purchaser will fulfil his legal obligations under the contract, or if the seller cancels the contract, the seller shall have the right to repossess any goods that can still be legally recovered. Until full payment has been made, the buyer shall not without the seller's written consent dispose of the goods in a manner that could jeopardise the seller's right to repossession. No acceptance or promissory note shall be considered as payment until fully redeemed.*

## Liability for defects

*23. The seller undertakes to remedy any defects arising from faulty construction, materials or manufacture in accordance with Clauses 24-32.*

*24.* The purchaser is required to examine the goods as soon as possible upon receipt. If there is reason to believe that a product defect may result in damage, a written complaint must be made immediately.
The seller's liability shall be limited to defects reported by the purchaser within 15 days from the date the defect was or should have been detected, and within one year from the contractual delivery date or a subsequent date on which the seller fulfilled his obligations in accordance with an agreed delivery clause.
*25. Any replaced or re-manufactured components are covered by warranty on the same terms and conditions as those applicable to the original product for a period of three months. This provision is not applicable to the remainder of the goods for which the warranty will only be extended by the period during which the goods were unusable as a result of a defect in the meaning of Clause 23.*
*26. On receipt of the purchaser's written notice concerning a defect in the meaning of Clause 23, the seller shall remedy the defect without delay and, except as provided in Clause 27, at his own expense. The purchaser shall return any defective component in the meaning of Clause 23 to the seller for repair or replacement, unless the seller chooses to execute the repairs at the purchaser's location.*
*By delivering a duly repaired or replaced component to the purchaser, the seller shall be deemed to have fulfilled his obligations under this clause with respect to the defective component.*
*Instead of addressing a defect, the seller may refund the purchase price, in which case the purchaser must return the goods essentially unchanged and undiminished or, if this proves impossible, credit the seller with an amount equal to the value of the retained goods when settling the account. The amount which the seller is required to repay to the purchaser shall be reduced by the amount the purchaser reasonably should pay for deriving profit and benefit from the goods, as well as an amount commensurate with the depreciation of the goods.*
*27. The purchaser shall bear the cost and risk of transporting defective components to the seller, whereas the seller shall bear the cost and risk of transporting any replaced or repaired goods to the destination specified in the contract or, if no such destination is stated, to the place of delivery.*
*If the seller carries out repairs as referenced in Clause 26 at the purchaser's location, the latter shall pay travel costs and per-diems relating to travel and working hours expended by the seller's personnel.*
*28. Any defective components replaced pursuant to Clause 23 shall be placed at the seller's disposal.*
*29. If the seller, despite being requested to do so, fails to meet his obligations within a reasonable period pursuant to Clause 26, the purchaser may, at his option, have necessary repairs carried out or new goods manufactured at the seller's expense provided that he exercises due diligence in doing so, or, if the defect is of fundamental importance to the purchaser and this was or should have been apparent to the seller, may cancel the contract with respect to the portion of the goods which could not be used as intended due to the seller's negligence. In such case, settlement shall be made pursuant to Clause 26, second paragraph.*
*The seller's obligation himself to carry out the measures referenced in Clause 26 and compensate the purchaser pursuant to the present paragraph shall be limited to a total amount not exceeding one-half of the price of the goods.*
*30. The seller's responsibility shall not extend to defects caused by materials supplied or designs stipulated by the purchaser.*
*31. The seller's liability is limited to defects arising during proper use and under operating conditions foreseen in the contract. It does not extend to defects caused by inadequate maintenance or improper assembly by the purchaser, modifications without the seller's written consent, repairs incorrectly performed by the purchaser, or normal wear and tear.*
*32. Notwithstanding the provisions of Clauses 23-31, the seller's obligations shall not extend beyond fifteen months from commencement of the original warranty period.*

**Product liability**
33. The seller is liable for damage caused to other property by the goods sold, including product to which such goods have been joined, or any resulting loss only insofar as he is proven to have been negligent, in which case his liability shall be limited to the amount stipulated in Clause 39 or such higher amount as may be payable under the seller's product liability insurance, if any.

### *Force majeure*
*34. If execution of the contract is prevented or impeded by circumstances such as war, official acts, insurrection, restricted energy supply, labour disruptions, prohibitions, injunctions, the withholding of licences, accidents, unfavourable transport or weather conditions, or failed deliveries from sub-contractors, which a party could not reasonably have foreseen at the time of concluding the contract, and the effects of which he likewise could not reasonably have prevented or overcome, shall be granted commensurate relief from his obligation to deliver, or take delivery of, the goods according to the contract.*
*35. In the event of a circumstance referenced in Clause 34, the affected party should promptly advise the other party in writing.*
*36. In addition to the purchaser's right to cancel the contract due to late delivery pursuant to Clause 15, and the seller's right to cancel the contract due to the purchaser's failure to take delivery of the goods pursuant to Clause 18, or pay for it pursuant to Clause 21, either party shall have the right to cancel the contract by giving written notice to the other party if completion of the contract is prevented for a period of six months due to a circumstance referenced in Clause 34.*

### *Limitation of liability*
*37. In the event of circumstances which render a party liable under the present terms, any damages shall be limited to such loss as could reasonably have been foreseen at the time the contract was concluded as a typical result of said circumstances and shall be subject to the additional limitations referenced in Clauses 38 and 39.*
*38. A party alleging breach of contract is obliged to take reasonable measures to limit the resulting damage. Should he fail to do so, any damages to which he would otherwise have been entitled shall be reduced or forfeited.*
*39. The total amount which the seller may have to pay to the purchaser as a result of the purchase shall be limited to the lesser of one-half of the purchase price and 10 times the base amount stipulated in the General Insurance Act (SFS 1962:381).*

### *Statute of limitation*
*40. Any claim against the seller shall be forfeit unless court or arbitration proceedings pursuant to Clause 42 are initiated within two years from the delivery of the goods.*

### *Export and import licences, re-export restrictions etc.*
*41. The purchaser undertakes:*
*(a) To participate as necessary in obtaining export or import licences for the purchased goods, in this context providing information that is correct and complete in all respects;*
*(b) In the event of re-export of the goods, or other product containing all or part of the purchased goods, to obtain the necessary permits and comply with applicable regulations;*
*(c) In the event of re-sale, to impose the same obligations on the new purchaser as those applicable to the purchaser under (b) above.*

### *Jurisdiction and arbitration*
*42. In the event of default, the seller's claim for payment of the purchase price shall be enforceable by application for a summary judgement (betalningsföreläggande). Disputes concerning less than 10 times the base amount (basbelopp) stipulated in the General Insurance Act (SFS 1962:381) shall be settled in a general court of law. Other disputes arising from the contract shall not be submitted to a court of law through claims, counterclaims or offsetting claims but shall be resolved by an arbitrator under current legislation concerning arbitration and the application of Swedish law.*

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