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In case of discrepancies the Danish version prevails".**

**General conditions
of
finance leasing contracts
ABL 95, 4th edition 2014**

**(Changes in relation to the 3rd/2011 is marked
with bold-see section 4, new nr. 4 and 5)**

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§ 1 - Scope of conditions

- 1) The conditions below apply to the finance leasing of personal property.
- 2) In this context finance leasing means a transaction whereby
 - a) a party (**the lessor**) enters into or takes over an agreement (**the Lease Contract**) with another party (**the lessee**), which confers upon the lessee the right to use the leased equipment (**the equipment**) against current payments (**the rental**);
 - b) the lessor acquires the equipment subject to an agreement (**the Purchase Agreement**) with a third party (**the supplier**), who has been informed that a Lease Contract has been or will be signed, or has entered into the Lease Contract himself;
 - c) the lessor neither chooses, specifies nor negotiates the price of the equipment;
 - d) the lessee has been given the opportunity to approve such terms and conditions of the Purchase Agreement as affect his legal rights; and
 - e) the rental payable by the lessee or for which he is liable shall be calculated so as to amortize the full purchase price of the equipment or a major part of the price.
- 3) The conditions apply to the finance leasing of personal property, primarily for business purposes.

§ 2 - Ownership

- 1) The equipment remains the property of the lessor. The lessee is not entitled to sell, pledge or in any other way legally dispose of the equipment.
- 2) Type designations, manufacture number, etc., for the identification of the equipment shall not be removed.
- 3) The lessor shall be entitled to demand that the lessee instructs, at his own expense,

his accountant to prepare and deliver to the lessor a report confirming the existence of the leased equipment, and the lessor may have a mark or other sign affixed to the equipment evidencing the lessor's title to the equipment.

- 4) When registering the equipment with a public register, including the Danish register of automobiles, the Danish register of aviation, and the Danish register of ships, the lessor shall be registered as the owner and the lessee as the user.
- 5) The lessor's title includes objects incorporated into or replacing part of the equipment.
- 6) The lessor is entitled to inspect the equipment any time.

§ 3 - Right of Use

- 1) The lessee is entitled to use the equipment in his business.
- 2) The equipment shall not be removed from the business premises of the lessee – unless the equipment by its nature implies different places of use.
- 3) The equipment shall not be subleased, lent or placed at the disposal of any third party.
- 4) The equipment shall not be modified, altered or replaced.
- 5) The equipment shall not be attached to buildings or other personal property in such a way that the lessor loses his title.

§ 4 - Rental

- 1) In consideration of use of the equipment, the lessee shall pay rental, the size and due date of which appear from the Lease Contract. In addition to rental, the lessee shall pay VAT and any taxes and duties in accordance with the regulations in force

from time to time.

- 2) Where the supplier demands another price than the one stated in the Lease Contract, or where the price is paid in a foreign currency at a rate other than the one applied when calculating the rental, the rental shall be adjusted accordingly.
- 3) Where the parties agree that the rental or parts of it shall be adjusted according to a reference rate or exchange rate, such rate and any conditions for adjustment of the rental shall be stated in the Lease Contract.

Where the parties have agreed that a non-official reference rate or exchange rate shall apply, the lessor shall inform the lessee of any change in the said reference rate or exchange rate.

Where an official reference rate is no longer quoted, or where the lessor proves that the reference rate is no longer of significance, the lessor shall be entitled to apply a different reference rate, provided that the situation of the parties to the contract remains unchanged in every material extent.

- 4) **In agreements with a variable rental, the lessor is entitled to increase the rental to compensate for any differences between the change in the agreed reference rate, cf. § 4, no. 3, and the change in the lessor's refinancing costs. Such an increase can only be made forward-looking and with 3 months' prior notice. In the event the rental is increased under this provision and the basis for the increase later becomes invalid in whole or in part, the lessor is obliged to decrease the rental, albeit at no time to a lower level than on commencement of the agreement.**

- 5) **In agreements with both a variable and fixed rental, in addition to that set out in § 4, no. 4, the lessor is also entitled to increase the rental to compensate for cost-increasing or profitability-reducing changes in public law regulation or based on public law requirements set out by public authorities and that affect the lessor directly or indirectly**

- 6) Until delivery has taken place, the lessee is liable for outlays and advance payments, including interest thereon, made by the lessor under the Lease Contract or Purchase Agreement. The lessee shall reimburse the lessor for any interest paid to the supplier which is not the result of delay on the part of the lessor.
- 7) The lessor shall at his discretion determine to which overdue claim(s) a partial payment including the net proceeds from realisation of the equipment/supplementary collateral shall be allocated, cf. Clause 15 below.

§ 5 - Delivery

- 1) Upon delivery of the equipment, the lessee must inspect it carefully without delay, and if the equipment is found defective, the lessee must send a written complaint to the supplier.

When the lessee has inspected the equipment and satisfied himself that it meets the terms of the Purchase Agreement, the lessee shall confirm this in writing to the lessor.

- 2) In the event of delivery **before** commencement of the agreed leasing period, rental shall be paid proportionately from delivery to the commencement of the leasing period. In the event of delivery **after** commencement of the agreed leasing period, the leasing period shall be postponed until the first rental due date after delivery, and rental shall be paid

proportionately for the period until then.

- 3) Where the lessee fails to collect or receive the equipment in time, or where his circumstances prevent him from taking possession, the lessor shall be entitled to damages.

§ 6 - Termination

- 1) Save for the provisions of Clauses 2 and 3 above, the Lease Contract shall remain irrevocable for the entire leasing period.
- 2) Either party shall be entitled to terminate the Lease Contract without notice, if it proves impossible to deliver the equipment, or if delivery has not taken place within six months of the agreed delivery date, at the latest, and the lessor can terminate the Purchase Agreement for that reason. Where the Lease Contract is terminated subject to this provision, the lessee shall compensate the lessor for any loss suffered in connection with his entering the Lease Contract.
- 3) The lessor may terminate the Lease Contract without notice in the following events:
 - a) the lessee operates as a sole trader or a partnership, and the individual(s) personally liable die(s);
 - b) the lessee operates as a limited liability or private limited company, and a controlling part of the share capital is transferred to a third party;
 - c) the lessee disposes of a major part of his activities, or his capital base is considerably reduced during the leasing period.

Upon termination subject to the above provisions, any demand by the lessor shall be settled in accordance with the provisions of Clause 15.

§ 7 - Responsibilities of the lessor

- 1) Prior to signing the Lease Contract, the lessee must choose the equipment and approve the supplier, brand, terms of delivery, specifications and the wording of the Purchase Agreement.
- 2) The lessor is not liable towards the lessee for timely delivery of the equipment nor for any actual or legal defects of the equipment or other instances of non-performance on the part of the supplier. The lessor accepts no liability for any loss, including consequential loss or damage suffered by the lessee because of delays or the equipment being defective. Irrespective of the usability of the equipment, the lessee shall pay the rental to the lessor once the equipment has been delivered. In compensation for this the lessor assigns his rights as against the supplier, including any warranties or guarantees, to the lessee on the conditions set out below.
- 3) If the lessee finds, on receipt of the equipment, that the equipment, though inspected and approved, fails to meet the terms of the Purchase Agreement, the lessee shall send a written complaint to the supplier without undue delay. The lessee shall inform the lessor of all material circumstances surrounding such claim, observe the instructions of the lessor and upon request then or later leave it to the lessor to take steps to assert a claim on behalf of the lessee.
- 4) In the event of defects, the lessee is obliged to accept redress from the supplier at the supplier's cost, possibly replacement of the equipment with another piece of equipment of the same kind, usability and quality. This is not the case, however, where such redress would afflict undue costs or inconvenience on the lessee.
- 5) Where the supplier cannot be held liable for redress, or where a defect cannot be remedied, as mentioned under point 4 above, defects shall mainly be compensated for by a refund of part of the purchase price of the equipment. Such refund shall be paid by the supplier to the

lessor. As from receipt of such refund, subsequent rentals shall be adjusted for the amount actually received by the lessor from the supplier.

- 6) Where the Purchase Agreement is cancelled, the purchase price shall accrue to the lessor, and any outstanding claim between the lessor and the lessee shall be settled in accordance with the provisions of Clause 15. Compensation for delay and consequential damage shall accrue to the lessee.
- 7) The lessee shall bear all costs incurred in asserting a claim against the supplier.

§ 8 - Responsibilities of the lessee

- 1) The lessee is liable for compliance with private as well as public rules and regulations in connection with the use of the equipment and for obtaining the required permissions. The lessee shall bear the risk if the required permissions cannot be obtained or are recalled.

The lessee shall keep the lessor indemnified for any liability which the lessor may have towards public authorities or private individuals, for the lessee's use of the equipment, including the non-observance of rules and regulations or the absence of the required permissions.

- 2) The lessee bears the risk of damage to the lessee's property due to dangerous properties of the leased equipment.

The lessee shall indemnify the lessor for any claim on the part of any third party, including the staff of the lessee, against the lessor as owner of the equipment due to dangerous properties of the equipment. Under "lov om produktsikkerhed" (the Danish Act on product safety) the lessee is obliged to prevent the equipment from causing damage to any third party's person or property.

§ 9 - Maintenance

The lessee undertakes to keep the equipment in good and serviceable condition, allowing only for fair wear and tear.

The lessee undertakes to strictly observe the maintenance instructions set out in manuals, etc. from the supplier. In connection with repairs and maintenance, only original spare parts stipulated by the supplier shall be used, and any repairs and service shall be undertaken solely by the supplier or an operator authorised by him.

In connection with repairs and maintenance, the equipment shall not undergo any changes or modifications.

§ 10 - Risk

The lessee remains liable for the accidental loss of or damage to the equipment from the date of delivery until the equipment is returned to the lessor.

The lessee shall inform the lessor without delay in the event that the equipment is damaged or deteriorates – regardless of the reason.

Where the equipment is repairable, the lessee shall have it repaired at his own cost. Where the equipment is not repairable, the Lease Contract shall terminate, and any amount outstanding between the parties shall be settled in accordance with the provisions of Clause 15.

§ 11 - Insurance

The lessee shall at his own expense take out a policy against loss of and damage to the equipment and against any claims brought against the lessee as user and the lessor as owner in connection with the use of the equipment. The lessor may demand that the insurer be notified of the lessor's interest at the expense of the lessee.

The lessor may at any time at the expense of the lessee choose to take out a policy against loss of or damage to the equipment.

§ 12 - Duty to inform

Upon request, the lessee shall produce his latest annual report, interim accounts and budgets together with the personal accounts of the liable owner(s). In addition, the lessee shall inform the lessor of any circumstances which may materially affect the lessor's credit risk.

13 Security

Where the lessee has provided a deposit or other security for the fulfilment of his obligations, such deposit or security shall also serve as security for any other obligation that the lessee has or may of his own volition incur against the lessor, regardless of the reason.

§ 14 - Default

The lessor may terminate the Lease Contract without notice and demand compensation for any loss suffered, including expenses borne by him, in the event that the lessee fails materially to fulfil his obligations under the Lease Contract, such as:

- 1) where the lessee fails to pay rentals or any other payments due within eight days of the due day;
- 2) where the lessee goes bankrupt or into liquidation and the estate does not enter into the Lease Contract and provide adequate security within eight days of being encouraged to do so;
- 3) where the lessee undertakes an unreported suspension of payments or is placed under a restructuring process, unless, with the restructuring agency's permission, a clarifying statement was timely given regarding the continuation of the lease contract in accordance with the provisions of the Bankruptcy Law;
- 4) where the lessee fails to fulfil his obligations under another lease contract or loan agreement entered into with the

lessor;

- 5) where the lessee fails to keep the equipment in a state of good repair;
- 6) where the lessee does not allow the lessor to inspect the equipment;
- 7) where the lessee fails to observe the provisions of Clause 3(2) by removing the equipment from his premises;
- 8) where the lessee fails to observe the provisions of Clause 3(3) by letting a third party have full or partial use of the equipment;
- 9) where the lessee uses the equipment in conflict with current statutory provisions, directions and instructions or fails to obtain the required public authorisations;
- 10) where the lessee fails to take out and retain insurance policies subject to Clause 11;
- 11) where the lessee fails to submit accounts etc. on being requested to do so, subject to Clause 12.

Under points 5-11 above, the Lease Contract can only be terminated where the breach remains unremedied eight days after the service of written notice of default.

§ 15 - Termination payment

Where the Lease Contract is terminated by the lessor or lapses due to the destruction or total loss of the equipment, or as a result of the cancellation of the Purchase Agreement, the lessee shall pay to the lessor:

- a) all overdue rental payments as well as any other debt, including interest and costs;
- b) all non-due rentals covering the remaining leasing period discounted to present value;

In the event of the lessee's bankruptcy or restructuring under the provisions of the Bankruptcy Law, the obligation

to pay non-due rentals during the remainder of the leasing period applies to the extent the lessor approves that such rentals must be considered equivalent to instalment payments. Otherwise, these fees are subordinated.

The Lessor is entitled, in advance, to cover his claim for subordinated rentals in any deposit held or some other security and/or in the value of the leased item should it be sold.

- c) the estimated residual value of the equipment at the end of the leasing period discounted to present value;
- d) compensation for any further loss suffered by the lessor as a result of the lessee's breach of contract and/or the termination of the Lease Contract prior to the expiry of the leasing period.
- e) default interest at 2% for each month or fraction of a month on the amount due from the lessee to the lessor in accordance with point a) above, as from the date of termination until the date of payment or reduction, cf. below.

The amount claimed by the lessor shall be reduced by the net amount which the lessor obtains by re-leasing the equipment for the remainder of the leasing period; from the sale of the equipment; under the insurance; or as repayment of the purchase price. Where the ensuing amount exceeds the lessor's claim, the lessee shall not be entitled to receive the excess amount.

Where it proves impossible to sell or re-lease the equipment within four weeks of the date on which it was placed at the disposal of the lessor, the lessor shall be entitled to base his claim on the net amount estimated by an expert valuer appointed by the home court of the lessor as the market value of the equipment, or to dispose of the equipment by auction.

§ 16 - Return of the equipment

Upon expiry of the leasing period or termination of the Lease Contract, the lessee shall return the equipment to a place within the national borders as specified by the lessor.

All costs incurred in this connection shall be borne by the lessee.

The lessee has no lien on the leased equipment.

§ 17 - Assignment

The lessor shall be entitled to assign or in any other way transfer his rights under the Lease Contract as well as his title to the equipment. This shall, however, not release the lessee of any obligations under the Lease Contract nor change the status of the lease as a finance lease.

§ 18 - Jurisdiction

Any dispute arising out of the Lease Contract shall be brought exclusively before the court in the jurisdiction where the registered office of the lessor is located.

The lessee is obliged to join the lessor as a defendant/respondent at the court or arbitration tribunal to which the lessor may be summoned in disputes concerning or arising out of the leased equipment.

The legal relations between the parties shall be governed and construed according to Danish Law.

§ 19 - Honorarium paid to collaborating partners

The Lessor will receive or pay in some cases a commission or other consideration if the Lessor purchases or brokers a collaboration partner's product.