

## General Conditions of Sale and Supply of FlowControl Sweden AB

### 1. General

These General Conditions of Sale and Supply (GCSS) apply to commercial transactions between FlowControl Sweden AB (hereinafter referred to as FlowControl) and its domestic and foreign customers to whom FlowControl delivers products.

All agreements and declarations of legal relevance must be made in writing in order to be valid. Declarations in the form of text conveyed by electronic media (such as e-mail, fax, etc.) are coequal to the written form.

#### 1.1 Contract conclusion, divergent stipulations

A legally binding contract for a single transaction shall not come into being until FlowControl delivers a written order confirmation to the ordering party. These terms and conditions apply to each individual business transaction. Divergent stipulations contained in the order confirmation sent by FlowControl or in agreements made in writing between the parties (e.g. blanket orders, distribution agreements) shall override the stipulations of these GCSS. Purchasing terms or other conditions of the ordering party are not a component of the contract. Further regulations or divergent stipulations of the ordering party must be confirmed in writing by FlowControl in order to be valid.

#### 1.2 Delivery and performance

The type and scope of delivery and performance are defined in the order confirmation and any annexes thereto issued by FlowControl.

### 2. Prices

All prices quoted by FlowControl in tenders and price lists are subject to change and are not binding.

#### 2.1 Scope of application

Prices are quoted for deliveries ex works, regardless of any divergent stipulations on shipping, transport or insurance documents etc. Any special packaging (e.g. maritime containers) special packaging requested by the customer and shipping costs will be charged to the ordering party.

#### 2.2 Invoices, default

Invoices must be paid within 30 days of the invoice date. The invoiced amount is strictly net with no discount whatsoever. The ordering party is responsible for all duties and taxes payable outside of Sweden arising in connection with delivery and invoicing. In the event of default of payment, the ordering party shall pay a default interest rate of 5% p.a. as of the day the payment period defined on the invoice expires. Further claims remain reserved.

#### 2.3 Changes to prime costs

In the event that prime costs should change during the order processing period, FlowControl reserves the right to amend prices unless they are expressly confirmed in writing or by FlowControl as agreed fixed prices. This applies in particular to large-scale projects and blanket orders.

#### 2.4 Blanket orders, default in acceptance

Blanket orders should be processed within the agreed duration by means of call orders. In the event of a delay of six weeks or more in taking up the orders, FlowControl reserves the right to dispose of the goods as it sees fit and to set a new delivery date or to withdraw from the contract.

In the event of default in acceptance, the ordering party shall pay a default interest rate of 5% p.a. of the value of the omitted call. Further claims remain reserved.

### 3. Obligation to supply and withdrawal

Deliveries will be made on condition that outstanding invoices have been paid in full. FlowControl reserves the right to withdraw from the contract, even after the order has been confirmed, should any doubt concerning the solvency of the ordering party subsequently arise or if he is in arrears with payments for supplies already in his possession.

#### **4. Delivery time**

FlowControl shall endeavour to adhere to the stated delivery times; however, they are not binding unless agreed expressly to the contrary in writing or otherwise confirmed in writing by FlowControl. In case of delivery delays, the buyer is not entitled to cancel the order or to claim any damages. Strikes or incidents of force majeure may delay the completion of orders, but this does not give the buyer the right to withdraw from the contract or to claim damages of any kind. This also applies to deliveries for which stipulated fines have been agreed.

#### **5. Property, usage and risk, transport, insurance, packaging**

All technical documentation and software programs remain the intellectual property of FlowControl and shall not be copied or duplicated or made available to third parties in any form or be used to manufacture the product or its components. The ordering party assures that the production and supply of goods or software by FlowControl on the basis of instructions, templates, drawings, samples, etc., provided by the ordering party will not infringe third party rights.

The delivered goods shall remain the property of FlowControl until full payment has been made. Usage and risk shall pass to the ordering party on the date the consignment is shipped or on which FlowControl informs the customer beforehand and in writing that the goods are ready for shipping, but, at the latest, on dispatch of the goods. In the event of delivery delays for which the ordering party is responsible, usage and risk shall pass to the ordering party when delivery is made available by FlowControl. FlowControl shall decide on the type of packaging. Shipment and insurance cover against damage of any kind is the responsibility of the ordering party. Even if FlowControl is charged with the responsibility of organizing shipment and insurance cover by agreement or due to current practice, they are considered to be obtained on behalf of and at the expense of the ordering party (cp. Article 2.1. of these GCSS).

#### **6. Packaging**

Packaging items (boxes, crates etc.) are non-returnable.

#### **7. Inspection of delivery**

The recipient shall raise any complaints with regard to damage, loss or delay during transport with the shipping company immediately on receipt of the goods. The ordering party is obligated to inspect the delivered goods carefully and to raise any objections regarding deficiencies in a written complaint to FlowControl within 8 days of receipt. The delivery shall be deemed as accepted if the ordering party fails to do so.

#### **8. Warranty**

FlowControl provides a warranty, valid for two years from the date of manufacture, for all FlowControl equipment and components under which FlowControl undertakes to remedy demonstrated deficiencies in material, design or manufacture - at the discretion of FlowControl - free of charge in FlowControl workshops or to replace the product or its defective components on condition that the items in question are sent to FlowControl free of all charges.

With regard to deficiency claims raised after expiry of the period defined under Article 7 of these GCSS, however, FlowControl shall be liable only if the deficiencies were undetectable at the time despite careful inspection and if they are made the specified subject of a written complaint to FlowControl within the two-year warranty period immediately after they are ascertained.

The warranty period for replaced or repaired components entitling the ordering party exclusively to the repair or replacement performance described above shall start afresh and last for a period of 6 months from delivery of the replacement parts or the conclusion of repairs.

FlowControl's warranty obligations shall be rendered invalid if the agreed terms of payment are not met or if the purchaser makes - or orders a third party to make - repairs or modifications to the goods supplied by FlowControl without FlowControl's approval.

Any liability beyond the scope described above is excluded.

## **9. Liability and claims**

The claims that the ordering party can derive from delivery delays and deficiencies are fully laid down in these terms and conditions. Any further warranty and liability for damages suffered by the ordering party on account of deficiencies or non-performance is excluded to the extent permissible by law. Liability is excluded in particular for: the cost of installing and removing defective devices; the cost of shipping replacement parts; loss of profit; consequential damage; consequential damage caused by the defect; damage caused by delay; damage arising from poor or non-fulfillment of the purchaser's contractual obligations towards his customer; third party claims etc.

FlowControl shall bear no responsibility whatsoever for damage caused by improper handling or use of FlowControl products or software programs by the ordering party or third parties or by strikes or force majeure. Furthermore, claims for damages arising in connection with advice and support provided by FlowControl during planning activities or the design, development and introduction of software programs are excluded. This does not include the services that form the subject of a contract drawn up individually with the customer, in which the extent of FlowControl's liability has been laid down exactly.

## **10. Returning goods against credit**

The purchaser has no right to return goods which have been supplied by FlowControl in compliance with the order. In exceptional cases, goods can be returned after conclusion of a written agreement and quoting FlowControl's reference number for the original consignment.

It is not possible to return: special versions; non- FlowControl equipment; technically outmoded products; goods delivered more than six months previously; and equipment that has already been installed or used. Only credit notes which may be offset against further orders placed by the ordering party will be issued for goods returned to FlowControl as follows:

Max. 80% of the net invoice value if the products are still in their original condition, the packaging has not been opened and the delivery was made within the last 6 months.

Max. 70% of the net invoice value if the products are still in their original condition but the packaging has been opened and the delivery was made within the last 6 months.

Credit notes cannot be paid out to the ordering party in cash or by bank transfer.

## **11. Disposal**

Goods for which the warranty period has expired cannot be returned to FlowControl.

## **12. Cost of cancellation**

The customer is not entitled to cancel ordered goods. Cancellations are possible only in exceptional cases after prior written agreement.

In such cases, the ordering party will be charged for the costs incurred in processing the order, and for

the cost of any services already provided.

## **13. Documentation**

All diagrams, such as dimension drawings and schemes and specifications contained in FlowControl catalogues, manuals and price lists, are not binding and serve only as a guide. FlowControl reserves the right to change and amend them at any time. The ordering party is obligated to observe the information and instructions contained in the documentation provided in conjunction with software programs and with the instructions for use provided for products.

## **14. Applicable law and place of jurisdiction**

All legal relations between FlowControl and the ordering party are subject to Swedish substantive law under the exclusion of state treaties, namely the United Nations convention on the international sale of goods dated 11<sup>th</sup> April 1980.

Gothenburg, Sweden is the sole place of jurisdiction and fulfillment for the services and performance of both parties.

However, FlowControl is entitled to assert its rights at the domicile of the ordering party or before any other competent authority, whereby the preceding choice of law shall remain valid.