

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

AFFCO Flow Control Europe B.V.

Article 1: Applicability

- 1.1. These Terms and Conditions apply to all offers made by AFFCO Flow Control Europe B.V., all agreements AFFCO Flow Control Europe B.V. concludes and all agreements that may result therefrom.
- 1.2. AFFCO Flow Control Europe B.V. is a limited liability company established under Dutch law and registered in the chamber of commerce under nr. 68267347, whose registered office is at Opweg 90a, (2871 NG) Schoonhoven, municipality Krimpenerwaard. AFFCO Flow Control Europe B.V. hereafter is referred to as the Contractor. The other party is referred to as the Client.
- 1.3. In the event of any conflict between the substance of the agreement concluded between the Contractor and the Client and these Terms and Conditions, the provisions of the agreement will prevail.

Article 2: Offers

- 2.1. All offers are without obligation. An agreement is only concluded on the day of signing by Contractor or on the day of sending the engagement letter by the Contractor.
- 2.2. If the Client provides the Contractor with data, drawings and the like, the Contractor may rely on their accuracy and completeness and will base its offer on the same.
- 2.3. The prices stated in the offer are based on delivery ex works, in accordance with the Incoterms 2010. Prices are exclusive of VAT, insurance and packaging. The prices offered are only valid for the quantities offered.
- 2.4. If the Client does not accept the Contractor's offer, the Contractor is entitled to charge the Client for all costs incurred by the Contractor in making the offer to the Client.

Article 3: Intellectual property rights

- 3.1. Unless otherwise agreed in writing, the Contractor retains the copyright and all industrial property rights in the offers made by it and in the designs, pictures, drawings, models (including trial models), software and the like provided by it.
- 3.2. The rights in the data referred to in paragraph 1 of this article will remain the property of the Contractor irrespective of whether the costs of their production have been charged to the Client. These data may not be copied, used or shown to third parties without the Contractor's prior express written consent. The Client will owe the Contractor an immediately payable penalty of € 25,000 for each breach of this provision. This penalty may be claimed in addition to damages pursuant to the law.

- 3.3. On the Contractor's first demand, the Client must return the data provided to it as referred to in paragraph 1 of this Article within the time limit set by the Contractor. Upon breach of this provision, the Client will owe the Contractor an immediately payable penalty of € 1,000 per day. This penalty may be claimed in addition to damages pursuant to the law.

Article 4: Advice and information provided

- 4.1. The Client cannot derive any rights from advice or information it obtains from the Contractor if this does not relate to the assignment.
- 4.2. If the Client provides the Contractor with data, drawings and the like, the Contractor may rely on their accuracy and completeness in the performance of the agreement.
- 4.3. The Client indemnifies the Contractor from and against all liability to third parties relating to use of the advice, drawings, calculations, designs, materials, samples, models and the like provided by or on behalf of the Client.
- 4.4. All by the Contractor provided advice, calculations, notifications and statements regarding to capabilities, results and/or expected performance of goods to be delivered and/or work to be done by the Contractor, are on voluntary basis without any obligation of the Contractor and are made only by way of non-binding information.

Article 5: Delivery period

- 5.1. The delivery period will be set by the Contractor on an approximate basis.
- 5.2. In setting the delivery period, the Contractor will assume that it will be able to perform the assignment under the conditions known to it at that time.
- 5.3. The delivery period will only commence once agreement has been reached on all commercial and technical details, all necessary data, any final and approved drawings and the like are in the Contractor's possession, the agreed payment or instalment has been received *and* the necessary conditions for performance of the assignment have been satisfied.
- 5.4.
 - a. In the event of circumstances that differ from those that were known to the Contractor when it set the delivery period, it may extend the delivery period by such period as it needs to perform the assignment under such circumstances. If the delivery cannot be incorporated into the Contractor's schedule, it will be done as soon as the Contractor's schedule so permits.
 - b. In the event of any additional orders, the delivery period will be extended by such period as the Contractor needs to deliver the additional products.
 - c. If the Contractor suspends its obligations, the delivery period will be extended by the duration of the suspension.
- 5.5. In the event of inclement weather, the delivery period will be extended by the resulting delay.
- 5.6. The Client is required to pay all costs incurred by the Contractor as a result of delay affecting the delivery period as referred to in Article 5.4.

- 5.7. If the delivery period is exceeded, this will in no event entitle to damages or termination of the agreement.

Article 6: Transfer of risk

- 6.1. Delivery will be made ex works, in accordance with the Incoterms 2010. The risk attached to the good passes to the Client at the time the Contractor makes the good available to the Client.
- 6.2. Notwithstanding the provisions in paragraph 1 of this article, the Client and Contractor may agree that the Contractor will arrange for transport. In that event, the risk of storage, loading, transport and unloading will be borne by the Client. The Client may insure itself against these risks.
- 6.3. In the event of a purchase in which a good is exchanged (hand in) and the Client retains the good to be exchanged pending delivery of the new good, the risk attached to the good to be exchanged remains with the Client until it has placed this good in the possession of the Contractor. If the Client cannot deliver the good to be exchanged in the condition that it was in when the agreement was concluded, the Contractor may terminate the agreement.

Article 7: Price change

- 7.1. The Contractor may pass on to the Client any increase in costing factors occurring after conclusion of the agreement.
- 7.2. The Client will be obliged to pay the price increase as referred to in paragraph 1 of this article on any of the occasions below, such at the discretion of the Contractor:
- a. upon the occurrence of the price increase;
 - b. at the same time as payment of the principal sum;
 - c. on the next agreed payment deadline.

Article 8: Force majeure

- 8.1. The Contractor is entitled to suspend performance of its obligations if it is temporarily prevented from performing its contractual obligations to the Client due to force majeure.
- 8.2. Force majeure is understood to mean, inter alia, the circumstance of failure by Contractor's suppliers or transport companies engaged by the Contractor to perform their obligations or perform them in good time, weather conditions, earth- quakes, fire, power failure, loss, theft or destruction of tools or materials, road blocks, strikes or work stoppages and import or trade restrictions.
- 8.3. If the Contractor's temporary inability to perform lasts for more than six months, it will no longer be entitled to suspend performance. On expiry of this deadline, the Client and the Contractor may terminate the agreement with immediate effect, but only as regards such part of the obligations that has not yet been performed.
- 8.4. In the event of force majeure where performance is or becomes permanently impossible, both parties are entitled to terminate the agreement with immediate effect as regards such part of the obligations that has not yet been performed.

- 8.5. The parties will not be entitled to compensation for damage suffered or to be suffered as a result of suspension or termination as referred to in this article.

Article 9: Scope of the order

- 9.1. The Client must ensure that all licenses, exemptions and other administrative decisions necessary to deliver the products are obtained in time. The Client is required upon the Contractor's first demand to send the Contractor a copy of the documents mentioned above.

Article 10: Changes in the order

- 10.1. Changes in the order will in any event result in a supplement if:
- a. the design, specifications or contract documents are changed;
 - b. the information provided by the Client is not factually accurate;
 - c. quantities diverge from the agreement.
- 10.2. The Client will be obliged to pay the supplement as referred to in paragraph 1 of this article on any of the occasions below, such at the discretion of the Contractor:
- a. when the event of any additional orders arises;
 - b. at the same time as payment of the principal sum;
 - c. on the next agreed payment deadline.

Article 11: Installation/assembling of the delivered products

- 11.1. The Client ensures that he uses experienced and qualified people installing/assembling the products delivered by the Contractor.
- 11.2. The Client bears the risk of and is liable for any damage connected with loss, theft, burning and damage to goods belonging to the Contractor, the Client and third parties, such as tools, materials intended for the installation work or material used in the installation work, that are located on the work site or at another agreed location.
- 11.3. The Client is obliged to adequately insure itself against the risks referred to in paragraph 2 of this article. In addition, the Client must procure insurance of work-related damage as regards the material to be used. Upon the Contractor first demand, the Client must send it a copy of the relevant insurance policy/policies and proof of payment of the premium. In the event of any damage, the Client is required to report this to its insurer without delay for further processing and settlement.
- 11.4. If the Client fails to perform its obligations as described in the previous paragraphs and this results in delayed performance of the activities, the activities will be carried out as soon as the Client performs its obligations as yet and the Contractor's schedule so permits. The Client is liable for all damage suffered by the Contractor as a result of the delay.

Article 12: Term of limitation

- 12.1. Claims and defenses, based on facts and/or statements meaning that the delivery does not meet the agreement, shall be barred by lapse of one year after the moment of delivery.
- 12.2. Rights of claim of the Client shall lapse 18 months after the moment of delivery.

Article 13: Liability

- 13.1. In the event of an attributable failure on the part of the Client, the Contractor is obliged to perform its contractual obligations as yet.

- 13.2. The Contractor's obligation to pay damages, irrespective of the legal basis, is limited to damage for which the Contractor is insured under an insurance policy taken out by it or on its behalf, but will never exceed the amount paid out under this insurance in the relevant case.
- 13.3. If, for any reason whatsoever, the Contractor cannot invoke the limitation in paragraph 2 of this article, the obligation to pay damages will be limited to a maximum of the total assignment amount (excluding VAT). If the agreement comprises parts or partial deliveries, the obligation to pay damages is limited to a maximum of the assignment amount of that defect part or that defect partial delivery.
- 13.4. The following does not qualify for compensation:
- a. consequential loss, including business interruption loss, production loss, loss of profit, transport costs and travel and accommodation expenses. The Client may insure itself against this damage if possible;
 - b. damage to goods in or under its care, custody or control. Such damage includes damage caused as a result of or during the performance of the work to goods on which work is being performed or to goods situated in the vicinity of the work site. The Client may insure itself against such damage if it so desires;
 - c. damage caused by the intent or willful recklessness of agents or non-management employees of the Contractor.
- 13.5. The Contractor is not liable for damage a result of a improper assembly/installation or positioning of the products delivered by the Contractor.
- 13.6. The Client indemnifies the Contractor from and against all claims by third parties on account of product liability as a result of a defect in a product supplied by the Client to a third party and that consisted, entirely or partially, of products and/or materials supplied by the Contractor. The Client is obliged to compensate all damage suffered by the Contractor in this respect, including the full costs of defense.
- 13.7. It is the Client's responsibility to determine whether the goods are suitable for the intended purpose and the Client accepts all risks and liabilities arising therefrom.
- 13.8. Unregarded if the goods are used exclusively by the Client, there will be no third party beneficiaries regarding to the warranty.

Article 14: Warranty and other claims

- 14.1. Unless otherwise agreed in writing, the Contractor warrants the agreed performance for a period of six months after delivery. In the event that a different warranty period is agreed, the other paragraphs of this article are also applicable.
- 14.2. If the agreed performance was not properly executed, the Contractor will decide whether to properly execute it as yet or to credit the Client for a proportionate part of the invoice amount. If the Contractor chooses to properly execute the performance as yet, it will determine the manner and time of execution itself.
- 14.3. Parts or materials that are repaired or replaced by the Contractor must be sent to the Contractor by the Client. The replacement or repair of goods by the Contractor does not create any new warranty. However, the warranty will be extended for the period from the date the defective goods have been received by the Contractor to the date the repaired or replacement goods are delivered to the Client.
- 14.4. The Client bears the expense of:
- a. all costs of transport or dispatch;
 - b. costs of disassembly and assembly;
 - c. travel and accommodation expenses.

- 14.5. The Client must in all cases offer the Contractor the opportunity to remedy any defect or to perform the processing again.
- 14.6. The Client may only invoke the warranty once it has satisfied all its obligations to the Contractor.
- 14.7. a. No warranty is given if the defects result from:
- normal wear and tear;
 - improper use;
 - lack of maintenance or improper maintenance;
 - installation, fitting, modification or repair by the Client or third parties;
 - defects in or unsuitability of goods originating from, or prescribed by, the Client;
 - defects in or unsuitability of materials or auxiliary materials used by the Client
 - failure to follow instructions / directions of the Contractor;
 - change or repair of the goods by others than the Contractor in a manner which, in the opinion of the Contractor, has negative consequences for the state of affairs.
- b. No warranty is given in respect of:
- goods supplied that were not new at the time of delivery;
 - the inspection and repair of goods of the Client;
 - parts for which a manufacturer's warranty has been provided.
- 14.8. The provisions of paragraphs 2 to 7 of this article apply mutatis mutandis to any claims by the Client based on breach of contract, non-conformity or on any other basis whatsoever.
- 14.9. The Client cannot assign any rights under this article.

Article 15: Obligation to complain

- 15.1. The Client can no longer invoke a defect in performance if it does not make a written complaint to the Contractor in respect thereof within fourteen days of the date it discovered, or should reasonably have discovered, the defect.
- 15.2. On pain of forfeiture of all rights, the Client must submit complaints regarding the amount invoiced to the Contractor in writing within the payment deadline. If the payment deadline is longer than thirty days, the Client must complain no later than thirty days after the date of the invoice.

Article 16: Failure to take delivery of goods

- 16.1. Upon expiry of the delivery period, the Client is obliged to take delivery of the product or products forming the subject of the agreement at the agreed location.
- 16.2. The Client must lend all cooperation that can be reasonably expected from it to enable the Contractor to make the delivery.
- 16.3. If the Client does not take delivery the product or products forming the subject of the agreement, such products will be stored at the risk and expense of the Client.
- 16.4. Upon breach of the provisions in paragraphs 1 and/or 2 of this article, the Client will owe the Contractor a penalty of € 250 per day, to a maximum of € 25,000. This penalty may be claimed in addition to damages pursuant to the law.

Article 17: Payment

- 17.1. Payment will be made at the Contractor's place of establishment or to a bank account to be designated by the Contractor.

- 17.2. Unless agreed otherwise, payment orders with a total value of less than € 10,000.00 take place within thirty days after the invoice date. For contracts a total value of more than € 10,000.00, payment of 40% of the total price takes place at the time of order, 60% of the total price within thirty days after the invoice date.
- 17.3. If the Client fails to comply with its payment obligation, instead of paying the sum of money agreed it will be obliged to comply with a request by the Contractor for payment in kind.
- 17.4. The right of the Client to set off or suspend amounts is excluded, unless in the event of the Contractor's bankruptcy.
- 17.5. Irrespective of whether the Contractor has fully executed the agreed performance, everything that is or will be owed to it by the Client under the agreement is immediately due and payable if:
- a deadline for payment has been exceeded;
 - an application has been made for the Client's bankruptcy or suspension of payments;
 - attachment is levied on the Client's goods or claims;
 - the Client (a company) is dissolved or wound up.
- 17.6. If payment is not made within the agreed payment deadline, the Client will immediately owe interest to the Contractor. The interest rate is 12% per annum, but is equal to the statutory interest rate if the latter rate is higher. When calculating interest, part of a month is regarded as a whole month.
- 17.7. The Contractor is authorized to set off its debts to the Client with amounts owed by the Client to companies affiliated with the Contractor. In addition, the Contractor is authorized to set off amounts owed to it by the Client with debts to the Client of companies affiliated with the Contractor. Further, the Contractor is authorized to set off its debts to the Client with amounts owed to the Contractor by companies affiliated with the Client. Affiliated companies are understood to mean the companies belonging to the same group, within the meaning of Article 2:24b Dutch Civil Code, and participating interests within the meaning of Article 2:24c Dutch Civil Code.
- 17.8. If payment is not made within the agreed payment deadline, the Client will owe the Contractor all extrajudicial costs, with a minimum of € 75.

These costs will be calculated on the basis of the following table (principal sum plus interest):

on the first € 3,000	15%
on any additional amount up to € 6,000	10%
on any additional amount up to € 15,000	8%
on any additional amount up to € 60,000	5%
on any additional amount from € 60,000	3%

The extrajudicial costs actually incurred will be owed if these are higher than they would be according to the above calculation.

- 17.9. If judgment is rendered in favour of the Contractor in legal proceedings, all costs that it has incurred in relation to these proceedings will be borne by the Client.

Article 18: Security

- 18.1. Irrespective of the agreed payment conditions, upon the first demand of the Contractor the Client is obliged to provide such security for payment as the Contractor deems sufficient. If the Client does not comply with such demand within the period set, it will immediately be in default. In that event, the Contractor is entitled to terminate the agreement and to recover its damage from the Client.

- 18.2. The Contractor will retain ownership of any goods delivered as long as the Client:
 - a. fails or will fail in the performance of its obligations under this agreement or other agreements;
 - b. has not paid debts that have arisen due to non-performance of the (a) agreement(s), such as damage, penalties, interest and costs.
- 18.3. As long the goods delivered are subject to retention of title, the Client may not encumber or alienate the same other than in the ordinary course of its business.
- 18.4. Once the Contractor has invoked its retention of title, it may take possession of the goods delivered. The Client will lend its full cooperation to this end.
- 18.5. The Contractor has a right of pledge and a right of retention in respect of all goods that are or will be held by it for any reason whatsoever and for all claims it has or might acquire against the Client in respect of anyone seeking their surrender.
- 18.6. If, after the goods have been delivered to the Client by the Contractor in accordance with the agreement, the Client has met its obligations, the retention of title will be revived with regard to such goods if the Client does not meet its obligations under any agreement subsequently concluded.

Article 19: Termination of the Agreement

- 19.1 If the Client wishes to terminate the agreement without the Contractor being in default, and the Contractor agrees to this, the agreement will be terminated by mutual consent. In that case, the Contractor is entitled to compensation for all financial loss, such as loss suffered, loss of profit and costs incurred.

Article 20: Applicable law and competent court

- 20.1. Dutch law applies.
- 20.2. The Vienna Sales Convention (C.I.S.G.) does not apply, nor do any other international regulations the exclusion of which is permitted.
- 20.3. Disputes will be heard exclusively by the Dutch civil court with jurisdiction over the Contractor's place of establishment, unless this is contrary to mandatory law. The Contractor may deviate from this rule of jurisdiction and apply the statutory rules of jurisdiction.