

GENERAL TERMS OF SALE AND DELIVERY OF BROEN A/S

(hereafter called BROEN)

1. APPLICATION OF TERMS OF SALE AND DELIVERY

1.1 The below general terms of sale and delivery shall apply for any quotation, order confirmation, sale and delivery by BROEN in the absence of any other agreement in writing between the parties.

2. PRODUCT INFORMATION, PRICE LISTS, ETC.

2.1 Information in catalogues, price lists and any other product documentation provided by BROEN shall be binding on BROEN only where the agreement with the purchaser makes specific reference to such information. BROEN shall reserve the right to change information without notice.

2.2 All drawings and technical descriptions supplied to the purchaser shall remain the property of BROEN and may be used only for the operation and maintenance of the products supplied by BROEN. The material may not be copied, reproduced, passed on to or in any other way communicated to any unauthorized third party.

3. PRICES AND TERMS OF DELIVERY

3.1 Unless otherwise stated all prices in BROEN's quotations, order confirmations and other references are in Danish kroner (DKK) exclusive of VAT, customs duties, taxes, etc. Unless otherwise stated in the above material BROEN shall reserve the right to adjust prices until delivery in the event of changes in currency rates, customs duties, taxes or raw material prices.

3.2 Unless special terms of delivery have been agreed upon in writing, delivery shall be made in conformity with the Incoterms 2010, EXW. The prices stated by BROEN are in conformity with these terms of delivery.

3.3 The prices stated by BROEN are exclusive of the costs of packaging, including special packaging to ensure that the products are not exposed to damage in transit to the final destination. Unless otherwise agreed in writing, Euro pallets and pallet frames used will be invoiced the Purchaser. Return of Euro pallets and frames is not accepted.

3.4 For orders below Euro 300 net invoice value, or equivalent converted currency value, a handling fee of Euro 30 net, or equivalent converted currency value, applies.

4. EXPORT

4.1 Unless otherwise agreed in writing it shall solely be the responsibility of the purchaser to ensure that the products sold can be legally applied in the purchaser's country and for the purposes intended, including their approval, if any, by public authorities or private persons for importation and application.

4.2 Unless otherwise agreed in writing, all costs of Irrevocable Letters of Credit (L/C) and costs of external produced verification documentation is to be carried by the purchaser.

5. ACCEPTANCE OF QUOTATIONS

5.1 Where BROEN makes a quotation that contains no stipulated date of acceptance, the quotation shall lapse in the event it is not accepted by the purchaser 30 days after the date of the quotation.

6. TIME OF DELIVERY

6.1 Unless otherwise stated in writing in BROEN's quotation or order confirmation or in the agreement between the parties the time of delivery indicated by BROEN shall be indicated to the best of BROEN's judgment. In the event that

the date of delivery is exceeded, the purchaser can by notification in writing to BROEN demand delivery and set a reasonable date not less than three weeks away. In the event that BROEN does not deliver within this extended period and where the non-delivery is not caused by circumstances attributable to the purchaser, the purchaser can by written notification to BROEN cancel the agreement with regard to the part consignment that has not been delivered. The purchaser shall not be entitled to make any claim vis-à-vis BROEN as a consequence of the delay.

6.2 In the event of strikes, lockouts, import restrictions, acts of God or other causes beyond BROEN's control, BROEN's time of delivery shall be extended by a period identical to the duration of the obstacle in question. Non-delivery or delayed delivery of raw materials from BROEN's sub-suppliers shall be considered acts of God and shall thus extend BROEN's time of delivery. In the event that the obstacle means that delivery cannot be effected or only at unreasonably high costs, BROEN shall retain the right to cancel the agreement.

7. TERMS OF PAYMENT

7.1 Provided credit is approved, BROEN's terms of payment are current month from the date of invoice plus 30 days.

7.2 In the event of payment after the due date BROEN shall be entitled to charge interest on overdue payments, at present 1% per month, to be calculated from the due date. In addition to this there will be an administration fee for reminders of minimum Euro 30 net, or equivalent converted currency value (or the maximum amount allowed by law at any time).

7.3 Payment can only be effected to BROEN's address unless stated otherwise on the invoice.

7.4 The purchaser shall not be entitled to off-set any claim he may have against BROEN (unless this claim has been accepted by BROEN in writing) and shall not be entitled to retain part of the purchase amount on account of such counterclaims.

8. RETENTION OF OWNERSHIP

8.1 BROEN shall retain ownership of the products sold until payment in full has been effected with the addition of interest and possible costs. The purchaser shall not be entitled to make arrangements that limit BROEN's retention of ownership.

9. INVOICING

9.1 BROEN will issue and forward invoices electronically. In the event of purchaser requirement for printed and posted invoicing, a handling and postal fee of 5 € net, or equivalent converted currency value, applies.

10. LIABILITY FOR DEFECTS & PRODUCT LIABILITY

10.1 Immediately after delivery the purchaser shall examine the products received. Defects that are found or should have been found during this examination or defects that are found later shall without delay and not later than seven days after the defect is found or should have been found be communicated in writing to BROEN. The purchaser shall under no circumstances be entitled to claim compensation for defects from BROEN later than one year after the date of delivery.

10.2 BROEN shall be entitled to decide whether the defects can be repaired or the defective products must be replaced. Such replacement and/or repair of defects will be made as soon as possible after the return of the product to BROEN.

10.3 The purchaser shall only be entitled to return sellable standard products and only following prior acceptance in writing from BROEN. BROEN reserves the right to refuse return of products at BROEN's sole discretion. The freight costs of the returned products shall be paid by the purchaser. The reimbursement for returned products shall be calculated on the basis of the original sales price with a deduction reflecting the costs of preparing the products for a new sale. This deduction will be fixed after the receipt of the products and after an assessment of the state of the products, the deduction will, however, amount to minimum 30% of the sales price.

10.4 Apart from the stipulations of clause 10.1/10.2 the purchaser shall not be entitled to make any claims to BROEN on account of defective products.

10.5 BROEN shall be liable for injuries to persons and damage to property as a result of defects in the products supplied (product liability) solely to the extent laid down in non-dispensable rules of law. BROEN shall not be liable for damage to the purchaser's real or personal property or to any other real or personal property belonging to a third party intended for commercial use.

10.6 Particularly for brass products it must be emphasized that BROEN shall not be liable for damage to the products or damage attributable to the products as a result of stress corrosion, dezincification and galvanic corrosion unless BROEN has in writing taken on such liability. In the event that BROEN has taken on such liability these general terms of sale and delivery shall apply with the exception of this clause.

11. EXEMPTION FROM LIABILITY

11.1 BROEN shall be exempt from liability to the purchaser in the event of circumstances that prevent the fulfilment of the agreement or that make the fulfilment unreasonably burdensome, such as labour conflicts and any other circumstances beyond the control of BROEN, e.g. fire, war, mobilisation or similar military measures, seizures, currency restrictions, riots and civil unrest, lack of means of transportation, general scarcity of goods, restrictions regarding motive power as well as defective or delayed deliveries from sub-suppliers due to any of the circumstances mentioned in this clause.

11.2 BROEN shall under no circumstances be liable for trading losses, losses of profit or other indirect losses or other consequential losses, including the costs of establishing or localizing defective products or damage.

12. SETTLEMENT OF DISPUTES - VENUE

12.1 Any dispute between BROEN and the purchaser in relation to an agreement between the parties or in relation to the interpretation of these general terms of sale and delivery shall be settled in accordance with Danish law and at BROEN's venue. BROEN shall be entitled to demand that any dispute is settled by arbitration in accordance with the rules and stipulations of the Danish Institute of Arbitration (Det Danske Voldgiftsinstitut).

Assens, January 2016

BROEN
VALVE TECHNOLOGIES

www.broen.com