



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

GENERAL TERMS AND CONDITIONS OF SUPPLY

1. GLOSSARY OF TERMS

The following apply to present General Terms and Conditions:

- a. Seller: Refers to Samamat Flow Control LLC (SFC) or its affiliates, as applicable.
- b. Product: Refers to any physical item sold by Seller in the Steel Piping Family of Products which include Flanges, Valves and other related machining components.
- c. Buyer / Client: Refers to the Party purchasing Products from Seller. Both terms are considered synonyms. Following INCOTERMS 2000, the term Buyer is adopted throughout the document.
- d. Purchase Order / Supply Contract / Supply Agreement: Is the instrument utilized to formalize the conditions under which the Seller supplies its products and / or services to the Buyer. These are considered synonyms. Supply Agreement is the term adopted throughout the document.
- e. Supply Terms and Conditions: Is the group of conditions that describe in detail the materials, prices, delivery terms and schedules, together with all other conditions of supply listed beyond the General Terms and Conditions of Supply.

2. GENERAL

Present General Terms & Conditions (GT&C) of Supply are an integral part of the Supply Agreement celebrated amongst the Parties. The structure of the Supply Agreement considers the Supply Terms & Conditions, supported by the GT&C of Supply. Any terms and conditions agreed in the body of the Supply Terms and Conditions shall supersede those in the GT&C of Supply. Terms and Conditions derived from the Supply Contract supersede all other Terms or Conditions which



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

may be agreed, proposed, accepted, whether in verbal or written form. Failure by either Party, at any time or from time to time, to require the performance by the other Party of any Term hereof shall not constitute a waiver of such Term. The waiver by any Party, in whole or in part, of any Term herein, shall not affect any other Term, each of which shall be enforced to the full extent permitted by law. Buyer may not assign or transfer any rights or obligations under present Contract without the prior written consent of the Seller.

The Novation of this Contract by the Client to sub-contractors may only be implemented if agreed in written by the Seller.

3. PRICING

Contracted Prices are considered firm during the validity of the Supply Agreement and as per agreed terms and conditions. In case the Parties have agreed to a specific Price Adjustment formula or condition, the same shall prevail on Contracted Prices. In addition to the Purchase Price, the Buyer shall pay to the Seller the amount of any VAT (or any other applicable Government fees/ levies) in accordance with the provisions of the VAT Law/ Regulations.

4. DELIVERY TERMS

Products shall be delivered as per the conditions agreed under INCOTERMS 2000. Contracted Freight Terms, as per the conditions indicated in the Supply Agreement.

Products shall be delivered as per the time schedule agreed and in Nominal Quantities as agreed by the Parties.

Upon completion of the delivery in quantity within the contract, the commitment on quantity delivery for the Order / Item is considered fulfilled.



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

5. THIRD PARTY INSPECTION

The Buyer may at its own discretion, nominate Third Party Inspection Companies and/or deploy its Quality Control team or representatives to the Seller's facilities or Delivery Point. Proper and timely coordination shall be taken care of by the Parties. The Parties shall agree case by case on Witness and Hold Points. Any deviations from the specifications and damages shall be reported by the Buyer by means of the corresponding Non-Conformance Report. The Seller agrees to deploy its Quality / Product support team when justified and based on Non-Conformances reported.

6. PAYMENT

Payment instrument, unless otherwise agreed, shall be implemented by means of an Irrevocable & Confirmed Letter of Credit, payable 100% at sight, negotiable at a Bank defined by the Seller. Confirming Bank shall be a Prime Rate Bank at Seller(s) satisfaction. LC shall be negotiated against usual shipping documents. Issuing and confirmation costs shall be at the Buyer(s) account, negotiation costs at the Seller(s). Transaction currency will by default be considered in USD, Euro or UAE Dirham. Other currencies may be adopted. Based on the fact that the corresponding Warranty – Guarantees and Penalties are agreed as per these conditions, the Buyer shall refrain from retaining or postponing invoice payments in the event of any non-conformance or claim brought by the Buyer. The Parties shall keep the Administrative Process involving delivery / invoicing / payment flowing and in parallel resolve non-conformances and penalties –if any-. Unilateral Retentions or Set-offs will not be applied.

7. DELIVERY / INVOICE / COLLECTION PROCEDURE

Delivery, Invoicing and Collection processes shall be ruled by an Administrative Procedure agreed by the parties. A Standard Administrative



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

Procedure is being provided in Annex I to these general terms & conditions of Supply. Said Administrative Procedure shall list and describe all documents required by each Party, the time schedule for the activities and the conditions under which the processes are executed.

An alternative Administrative Procedure agreed by the parties may be discussed and agreed provided it is operational latest by the first delivery under the contract.

8. LIMITED WARRANTY

Seller warrants that all Products sold will be free of any claim of ownership by third parties, are unused, free of defects, and will conform to the contracted specifications as have been expressly agreed in writing by Buyer and Seller.

The Seller does not warrant the Products' behavior or conformance to any specific purpose or use. In case of the Products supplied not complying with the characteristics required as per the Contract, the Buyer shall report accordingly, within a period of fifteen (15) days from the date of delivery of product(s) providing a clear description of the deviation and proper formal supports in order to allow the Seller to send its representatives to witness said deviations and take the most proper course of action in line with the Terms & Conditions agreed as per the contract. Seller warrants the Products supplied for a period of 12 (Twelve) months from the date of delivery; any claim in relation to the supplied products should be received by the Seller latest by the end of said period. Neither Seller nor its affiliates shall have any warranty obligations with respect to any Product, or part thereof, which:

- a. is normally consumed in operation,
- b. has a normal life inherently shorter than the warranty period specified herein,
- c. is not properly stored, installed, maintained or repaired, or is modified or



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

d. has been subjected to any other kind of detrimental exposure, or has been involved in an accident for which Seller could not be responsible. Warranty is limited to the conditions set forth above.

Warranty is limited to the conditions set forth above.

9. GUARANTEE

If and when a Product supplied under the contracted terms, is found not to conform to the warranty terms, the terms & conditions listed below shall apply.

The Buyer shall report in written to the Seller the deviation encountered, location of the Product, formal information supports (including and not limited to Testing Reports), Subject to the type of deviation reported, the Seller may, at its option, replace the defective Product without inspecting the defect. If not replaced, the Seller shall coordinate for the inspection / testing of the Product either with their own personnel or authorized representatives (Manufacturer(s) Technical Representative or Third-Party Inspection Company). The Buyer shall coordinate the needful to allow inspection / testing. The Buyer does require to provide evidence of the Product being sourced by the Seller (eg. MTC – Heat Numbers – Overall traceability of the material delivered).

Inspection & Testing shall be defined based on the deviations encountered and are to be mutually agreed upon. Unless otherwise agreed or defined by the Seller, the Seller will be represented at all such inspections and tests.

Buyer shall not alter the condition and/or disassemble (eg Valves) and/or modify and/or repair the Product found non-compliant unless if authorized in written by the Seller; else, present Guarantee on the defect or deviation encountered would not be applicable or even forfeited depending on the case.

Based on the findings, the Seller shall recommend the most appropriate



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

solution which may consider Repair / Replacement / Compensation. Products confirmed not to be repairable shall be disposed as per terms to be discussed and agreed by the Parties. Maximum Repair Value agreed under present Guarantee shall not exceed 15% of the Product Sales Value (price x defective quantity).

Maximum Compensation Value agreed under present Guarantee shall not exceed 100% of the Product Sales Value (price x defective quantity).

This limited guarantee may be only exercised by the Buyer, may not be transferred or assigned, and does not extend to any subsequent Buyer or transferee of the Products sold under present Contract. Present Guarantee covers all and any other guarantees whether written, oral, express or implied.

10. DELAY PENALTIES

The Seller(s) non-fulfillment of its delivery obligations in a timely manner, according to the needs of the Contract, may give origin to the application of Delay Penalties.

Following a Grace Period of one (1) week on contracted delivery date for stock deliveries and four (4) weeks for back to back deliveries (manufacturer to Buyer), the Delay Penalty to be applied shall be of one eighth of a percent (0.125%) per week of delay on the delayed portion of the Products contracted. The Buyer agrees to Delay Payment Compensation to be paid to the Seller, should the Buyer fail to pay the Seller in a timely manner. The Compensation applies to the balance outstanding delayed value and will be calculated at the rate of half a percent per month (0.50%).

11. LIQUIDATED DAMAGES

The Seller(s) non-fulfillment of other obligations than delivery, and if proven by the Buyer of having translated into additional costs, may give origin to the



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

application of Liquidated Damages. Liquidated Damages to be applied shall not exceed three percent (3%) of the total value on the lot of identified related Products which generated the said Damage.

12. TECHNICAL SUPPORT

Technical Support for Products sold is to be provided in first instance by the Seller; this support considers the provision of general information about the Product, Specifications, Material Test Certificates, Visual Inspection and the ability to perform non-destructive testing and destructive testing by the Seller or its subcontractors. Technical Support related to Design Parameters and, Engineering and/or Manufacturing variables, shall be provided by the SAMAMAT FLOW CONTROL LLC (SFC) for the Products sold. Seller shall coordinate when required such support. SFC(s) Technical Representative, when justified his presence, will be made available within a period to be discussed and agreed amongst the Parties based on the specific case. For reference, in standard conditions, the Technical Representative may become available at site within ten (10) working days (visa restrictions may apply).

13. LIMITATION OF CLAIMS

Except as agreed in the Limited Warranty and Guarantee set forth above, Seller will not be responsible for any damage arising out of the Buyer(s) purchase, possession or use of Products sold by the Seller.

Seller will not be liable for consequential, special, incidental or exemplary damages, including, but not limited to, loss of profits, equipment downtime, direct or indirect costs related to the use or purchase of substitute products, claims of third parties and/or injury to persons or property.

14. INTELLECTUAL PROPERTY

Any suggestions Seller makes about possible articles, designs or uses of



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

Products do not give the Buyer a license under any patent or other Intellectual Property Right covering such articles, designs or uses, nor are they a recommendation that Buyer use any Product in a manner that may infringe any patent or other Intellectual Property Right. Seller shall not be held responsible for, and Buyer shall hold Seller harmless against, any damages and costs incurred by Buyer as a result of any claim of infringement of another person(s) patent or other Intellectual Property Rights. In the event that Buyer shall become aware of any claim of the type described above, it will promptly notify Seller in writing and give Seller all necessary information and assistance to take appropriate action oriented to resolving the case.

15. FORCE MAJEURE

A. In case of force majeure of whatever nature, mobilization, war, revolution, fire, strike, quarantine restrictions, entry/exits restrictions, pandemics and epidemics, interruption of transport, confiscation, disruption in production, lack of raw materials and/or energy, catastrophes, restrictive government regulations/duties of whatever nature, malfunctioning of installations essential for the execution of the agreement, when third parties fail to supply goods or render services and any circumstances the Seller could reasonably not foresee and cannot influence and which, had the Seller known it when concluding the agreement would have induced the Seller not to conclude it or not under the same conditions, the Seller shall be entitled to withdraw from a business transaction either entirely or partially or postpone the periods of delivery, this without any possibility that claims of any kind might be lodged against Seller from this subject.

B. If the circumstances after the closing of the agreement change in such a way that fulfillment of one more condition cannot be executed reasonably, parties must negotiate about an alteration of the conditions and/or agreement.



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

Impossibility to pay the selling price is not a circumstance that can lead to an alternation of the conditions and/or agreement.

16. PERFORMANCE BOND GUARANTEE (PBG)

If required by the Buyer, the Seller shall issue a PBG (Performance Bond Guarantee) for five percent (5%) of the amount of Contract in order to guarantee the totality of its contractual obligations; Delay Penalties and Liquidated Damages included.

The PBG is issued by the Seller in order to safeguard the interest of the Buyer and provide in last instance the Payment Instrument that will allow the Buyer cash the calculated amounts of Delay Penalties and/or Liquidated Damages as per the clauses stated in these General Term & Conditions. The Buyer may execute referenced PBG up to the percentage indicated above. Partial execution is allowed.

Prior to the Buyer instructing the execution of any portion or the totality of the PBG, the Buyer commits to call on the Seller in order to review the case, discuss and agree on terms which would be acceptable to both, aiming to resolve the matter and leave the execution of said PBG with no effect. Should the Parties fail to resolve the non-conformance in an amicable way, the Buyer may proceed with the execution. Adopted Draft PBG wording is attached in Annex II.

17. ORDER CANCELLATION

Cancellation of any order, or return of any conforming Product, will be subject to acceptance by Seller and to a restocking charge which as per the standard is set on ten percent 10% of the Item Price for the base minimal stock delivery quantity or in accordance with Seller(s) policy then in effect, unless otherwise agreed.



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

18. LIABILITIES & INDEMNITIES

Neither party shall be liable for damages for loss of profits, income, revenue or production, nor any indirect damages (including, but not limited to, loss of products, financial loss, cost of capital, cost incurred in connection with labor, overhead, general administration, transportation, supply sources) or other similar damages, whether any such liability would be based on contract or otherwise.

19. ASSIGNMENT AND SUBCONTRACTING

Seller may assign or subcontract to any of its Affiliates all or any part of its rights and obligations under the Agreement without Buyer's consent provided Seller remains liable as primary obligor under the Agreement. Buyer may not assign or in any way dispose of its rights or obligations under the Agreement without the prior written consent of Seller.

20. SEVERABILITY

If any term or other provision of the Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of the Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated thereby is not affected in any adverse manner to either Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify the Agreement so as to effect the original intent of the Parties hereto as closely as possible in an acceptable manner, to the end that the transactions contemplated in the Agreement may be fulfilled to the extent possible.

21. ARBITRATION

Any controversy or claim between the Parties hereto shall be noticed in



SAMAMAT FLOW CONTROL LLC

GENERAL TERMS & CONDITION FOR SALES

written by the complaining Party to the other. Such controversy or claim shall subsequently be reviewed and discussed between Seller and Buyer intending to resolve the dispute amicably and as a condition precedent to the initiation of an Arbitration Proceeding.

The Parties agree to refrain from entering into a formal legal proceeding, giving precedence to the solution through Arbitration, according to ICC rules, Jurisdiction to be set in Dubai / UAE under local Law, conducted in English language.

22. INSOLVENCY

In the event that any of the Parties files for bankruptcy, or if any of the Parties has proven information leading to conclude that the other Party is insolvent, then, the affected Party may suspend payment or shipments as the case may be without any liability on its part.

23. JURISDICTION - APPLICABLE LAW - LANGUAGE

For contracts celebrated with companies registered in GCC – India & Pakistan – Iran & Iraq, these terms shall be governed by, and interpreted in accordance with, the laws of UAE and any proceeding shall be conducted in English Language in Dubai - UAE. For all other, any proceeding will take place in Zurich (Switzerland) under English Law and in the English Language.

Seller cannot be held responsible for any failure to meet the requirements of the legislation of any other country where products are delivered.