

General Terms and Conditions of Sale

1. Background

1.1 "SWEP" referred to in these general terms and conditions of sale (the "General Terms") is SWEP International AB, Swedish company reg. no. 556287-5392, with registered address at Box 105, 261 22 Landskrona, Sweden, and all its subsidiary companies of SWEP International AB in the world. The "Customer" referred to is the company which or person who has ordered or purchased products or services from SWEP. SWEP and the Customer are jointly referred to as the "Parties", and individually to as a "Party".

1.2 These General Terms shall apply to all of SWEP's deliveries of products to the Customer including, but not limited to, brazed plate heat exchangers (the "Products"), and shall furthermore apply to any services SWEP may perform for the Customer including, but not limited to, maintenance, installation, provision of software or training services (the "Services"). No other general terms and conditions referred to by the Customer shall apply to such deliveries of Products or performance of Services. Products and Services specifications are, if not specifically provided to Customer as part of an Order, available on SWEP's website and may be amended from time to time.

1.3 In case of contradiction between any provisions in these General Terms and any other agreement document applicable between the Parties, precedence shall be given in the following order, to the extent applicable: (i) SWEP Supply Agreement, (ii) a purchase order agreed by the Parties in accordance with Section 2 below (the "Order"), (iii) a products, price and services specification (the "Specification"), (iv) these General Terms, and (v) any other agreement document, unless specifically stated and explicitly agreed otherwise in such documents. The applicable agreement documents are jointly referred to as the "Agreement".

2. Products and Orders

2.1 The Products and Services offered by SWEP from time to time, and specifications of the same, are stated on SWEP's website.

2.2 SWEP may provide the Customer with an order form containing a quote of Products and/or Services. The quote is binding on SWEP for 10 business days and becomes an Order once the Customer has returned a signed copy of the unaltered order form (or in any other way confirmed the quote in a satisfactory manner).

2.3 Orders may also be placed through SWEP's eBusiness system ("eBiz"), by e-mail to SWEP or as otherwise agreed between the Parties. Such Orders by the Customer are binding on SWEP once it has been confirmed by SWEP in writing (including confirmations by electronic means). SWEP may choose freely to confirm or refuse orders placed by the Customer. These General Terms shall apply equally to such Orders.

2.4 All orders on non-stocked products are considered final, non-amendable and non-cancellable upon Order Confirmation from SWEP ("Factory Order Finalization"). SWEP will however consider any cancellation or amendment request ("Cancellation") made in writing to SWEP, while any acceptance of such Cancellation is at the sole discretion of SWEP. For Cancellation within max seven (7) calendar days after Factory Order Finalization, SWEP reserves the right to apply a cancellation fee of up to €200 to be invoiced if Cancellation is accepted. For Cancellation later than seven (7) calendar days after Factory Order Finalization, SWEP reserves the right to require payment of part of or the full order value of Cancellation as a prerequisite for any acceptance or a minimum of €500. Also orders on stocked products are considered final, non-amendable and non-cancellable upon Order Confirmation from SWEP ("Stock Order Finalization"). For a period of up to one (1) business day after Stock Order Finalization, SWEP will however consider any Cancellation request made in writing to SWEP. Any acceptance of such cancellation or amendment request is at the sole discretion of SWEP and, as a prerequisite for any such acceptance, SWEP reserves the right to apply a cancellation fee of €200. If the cancellation or amendment request is made later than one (1) business day after Stock Order Finalization, SWEP reserves the right to apply additional cancellation charges and payment of parts of or the full order value of Cancellation.

3. Delivery

3.1 The delivery terms shall be made according to the Order Confirmation construed in accordance with INCOTERMS® 2020.

3.2 Upon delivery, the Customer shall inspect the Products delivered and ensure that the quantities delivered correspond with the quantities ordered. Should the delivered quantity of Products deviate from the quantity ordered by the Customer, the Customer shall without delay but not later than within 5 business days notify SWEP. Should the Customer neglect to make a complaint in accordance with the provisions above, the Customer shall lose the right to exercise any remedies with respect to the quantity deviation.

4. Delayed delivery

4.1 Any time of delivery of the Products stated by SWEP is SWEP's best estimate of a calculated time of delivery. If SWEP has reason to believe that delivery cannot be effected on the calculated time of delivery, SWEP shall inform the Customer accordingly and advise when delivery is expected to be effected.

4.2 If a delivery is delayed by more than 4 weeks, the Customer may, in writing, request delivery within a reasonable and final period of time, which may not be shorter than one week. If SWEP is unable to deliver within the requested period, and this is not subject to any circumstances attributable to the Customer, the Customer shall have the right to cancel the Order for the delayed Products.

4.3 If SWEP has informed the Customer of a new expected date of delivery in accordance with Section 4.1 above, extending the calculated time of delivery with more than 4 weeks, the Customer is entitled to cancel the Order, provided that the cancellation is made in writing within 5 days from the time SWEP informed the Customer of the new calculated time of delivery. Should the Customer not cancel the order within such time, the new time of delivery stated by SWEP shall be considered as the new calculated time of delivery.

4.4 Any price paid by the Customer for duly cancelled orders shall be refunded by SWEP. The Customer's right to cancel Orders in accordance with the provisions in Sections 4.2 and 4.3 above constitutes the only remedy which the Customer shall have the right to exercise in the event of delayed delivery. The Customer shall not be entitled to damages, penalties, remuneration or other compensation in connection with any delay or cancellation of any Order.

4.5 If the Customer anticipates that it will be unable to accept delivery of the Products at the time for delivery, the Customer shall notify SWEP thereof in writing, stating the reason and, if possible, the time when the Customer will be able to accept delivery. If the Customer fails to accept delivery at the time for delivery, it shall nevertheless pay any part of the purchase price which becomes due at the time for delivery, as if delivery had taken place at the time set for delivery. SWEP shall arrange for storage of the Products at the risk and expense of the Customer. Notwithstanding the foregoing, SWEP may, unless the delay is caused by circumstances described in Section 15, terminate the Agreement in whole or in part in case of the Customer's notice in accordance with this Section 4.5. SWEP shall then be entitled to compensation for the losses caused by reason of the Customer's default, including any consequential and indirect loss. The compensation shall not exceed that part of the purchase price which is attributable to that part of the Products in respect of which the Agreement is terminated.

5. Drawings and technical information

5.1 All drawings and technical documents relating to the Products or their manufacture shall remain the property of SWEP. Drawings, technical documents or other technical information received by the Customer shall not, without the consent of SWEP, be used for any other purpose than that for which they were provided. They may not, without the consent of SWEP, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

5.2 SWEP shall provide information and drawings which are necessary to permit the Customer to install, commission, operate and maintain the Products. For the avoidance of doubt, SWEP shall not be obliged to provide manufacturing drawings for the Products or for spare parts.

5.3 SWEP reserves the right to continue to improve the functionality, quality, cost and performance of any product from time to time, and as a result SWEP may discontinue any Product that is replaced by engineered product improvements. SWEP shall provide Customer with written advanced notice ("Product Optimization Notice") for any Product being superseded as soon as possible but no later than 12 months before the last date of order entry ("Last Buy Date") unless discontinuation is due to an alleged health, safety or environmental risk. Following a Product Optimization Notice, SWEP is obligated to provide support, samples of new product to replace Products and spare parts for all such superseded Products for a period of 2 years after the date of Product Optimization Notice. Customer is responsible for its own costs related to engineering, review and replacement works related to the implementation of a new product. Regular supplies of new product, thus becoming a Product, shall start with no undue delays, not later than 12 months from Product Optimization Notice.

6. Services

If the Customer has ordered Services from SWEP, the Services are carried out on the basis of what is generally expected from similar service providers. Subject to the foregoing, SWEP shall perform the services in a professional manner using due care. For the avoidance of doubt, the outcome of the Services or the correctness of it shall in no event affect SWEP's right to payment for Products and other Services.

7. Prices

7.1 The prices for the Products and Services are according to the price quotation provided by SWEP, either in the order form or on eBiz, or SWEP's current price list for Services. Pricing may be amended by SWEP from time to time and such amendments apply to Products or Services ordered in accordance with Section 2 and Services provided after the amendment.

7.2 All prices are excluding VAT and any other taxes, fees and transportation costs. Such taxes, fees and costs shall be paid by the Customer in addition to the stated prices for the Products and Services. Fees shall exclude any costs for travel and accommodation, and SWEP shall be entitled to remuneration for such costs.

7.3 Should, after SWEP's confirmation of an Order, SWEP's cost for manufacturing, selling or delivering any Products or Services increase due to changes in exchange rates, taxes, duties or other governmental charges or due to any material and unforeseen cost increases for materials, consumables, parts, wages or insurance, SWEP shall have the right to change the price for the Products or Services accordingly. Such price changes shall apply for any Products or Services delivered after the implementation of the price change, irrespective of any separate agreement on price and irrespective of when the Order was made. SWEP shall without undue delay notify the Customer of such price increases and the Customer shall be entitled to cancel any Orders affected by the price increase, provided that such cancellation is made by written notice to SWEP within three days from SWEP's notification.

8. Payment

8.1 The Customer's payment for Products and Services shall be made within 30 days after the date of invoice, unless otherwise agreed on in written which may be issued by SWEP upon an Order. Any usage-based Services (including Services charged by hour) will be invoiced monthly in arrears.

8.2 Payment shall be considered to have been effected when SWEP has received full payment for the Products and/or Services. The Products shall remain the property of SWEP until paid for in full to the extent that such retention of title is valid under applicable laws. The Customer shall at the request of SWEP assist SWEP in taking any measures necessary to protect SWEP's title to the Products. The retention of title shall not affect the passing of risk according to Section 3 and 4 above.

8.3 Payment in due time is of the utmost importance to SWEP such that any delayed payment shall be considered a material breach of contract. Upon delayed payment, interest on arrears is charged. The rate of interest shall be 8 percentage points above the rate of the main refinancing facility of the European Central Bank. Furthermore, SWEP shall in case of delayed payment have the right to withhold deliveries of the Products and the provision of Services to the Customer, demand that acceptable securities be provided, and amend the terms of payment and any credit limit.

9. Liability for defects

9.1 The Products shall in all material aspects comply with the specifications explicitly provided by SWEP.

9.2 SAVE FOR WHAT IS EXPLICITLY STIPULATED IN THESE GENERAL TERMS, NO REPRESENTATION OR WARRANTY ON THE PART OF SWEP, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND/OR ANY OTHER WARRANTY AS TO THE QUANTITY, QUALITY, KIND, CHARACTER, OR CONDITION OF ANY PRODUCTS OR THE ADEQUACY OF ANY WARNINGS CONCERNING THE POSSESSION, HANDLING, STORAGE, TRANSPORTATION, USE OR OTHER DISPOSITION OF MATERIAL, WHETHER USED SEPARATELY OR WHEN INCORPORATED INTO OTHER PRODUCTS, SHALL APPLY TO ANY PRODUCTS OR SERVICES DELIVERED BY SWEP TO THE CUSTOMER; ALL SUCH WARRANTIES BEING HEREBY DISCLAIMED.

9.3 SWEP shall not be liable for any defects in the Products that appear later than one year from delivery, or for any defects due to (i) any material, process or other measure supplied or suggested by the Customer; (ii) failure of the Customer (or its employees) to comply with laws, regulations or applicable standards governing the use, handling, installation or storage of the Products or with any documentation about the Products (including installation guides) provided or referred to by SWEP; (iii) transportation for which SWEP is not responsible; (iv) alteration, misuse, negligence or accident after delivery by SWEP; (v) defects caused by corrosion, ice formation, freezing, thermal shock, fouling or scaling, or (vi) normal wear and tear. In addition, SWEP is not liable for defects in Products which are prototypes, samples or otherwise not intended for commercial use.

9.4 The Customer must notify SWEP in writing of any claims relating to defects within two weeks from the discovery of the defect or, if this is earlier, within two weeks from the date when the defect should reasonably have been discovered. If these conditions are not fulfilled, SWEP shall not be liable for the defect and the Customer shall not be entitled to exercise any remedies against SWEP.

- 9.5 Provided that the Customer has given notice in accordance with Section 9.4, SWEP obliges itself to, at its own discretion and within 60 days of the Customer's notice, either repair or substitute the defective Product, or credit the Customer for such portion of the purchase price received by SWEP as may be reasonable considering the defect in question. SWEP shall carry the costs for any return of defective Products. The Customer shall have no right, without SWEP's prior written consent, to discard any Products which have been notified as defective to SWEP, or to let any third party do so. If SWEP determines that the Products are not defect or that SWEP is not liable for the defect, the Products shall be returned to the Customer or scrapped locally by SWEP at the Customer's expense, whichever the Customer requests, and the Customer shall reimburse SWEP for any costs incurred in connection with returning the Products to SWEP.
- 9.6 This Section 9 exhaustively sets out SWEP's obligations in relation to defect Products, and no recourse shall be had to remedies under, laws, regulations, case law or standard agreements.
- 10. Intellectual property rights**
- 10.1 SWEP or SWEP's licensors shall own all Intellectual Property Rights (as defined below) relating to the Products, the Services and results of the Services. The Customer shall not acquire any Intellectual Property Rights to the Products, the Services or results of the Services by means of the Agreement. The Customer hereby irrevocably assigns and transfers to SWEP any Intellectual Property related to the Products and/or the Services that arises or is obtained or developed as a result of the activities performed by a Party under the Agreement. The Customer warrants that Intellectual Property assigned and transferred to SWEP is free from all encumbrances and Customer shall be responsible for all risks and claims arising from any 3rd parties in case of dispute due to the assigned and transferred Intellectual Property from Customer to SWEP.
- 10.2 "Intellectual Property Rights" or as applicable "Intellectual Property" means patents (including utility models), design patents, design rights (whether or not capable of registration), mask works, copyrights, copyright related rights (*Suedish* närstående rättigheter), moral rights, rights in databases, trademarks, trade secrets, know-how, trade names, rights under marketing law, and all other intellectual property rights; in all cases whether or not registered or registrable, and applications for any of the foregoing respectively, and all rights to apply for the same, and all rights and forms of protection of a similar nature or having a similar effect to any of these anywhere in the world.
- 10.3 Should the use of Products delivered by SWEP conclusively constitute infringement of third party intellectual property rights, SWEP shall at its own expense and at its own discretion either (i) ensure the Customer's right to continue to use the Product, (ii) substitute the Product with an equivalent non-infringing Product, or (iii) repay the original purchase price paid by the Customer for the Product. SWEP shall have no liability towards the Customer for costs or damages resulting from any infringement of third-party intellectual property rights caused by the use of the Products by the Customer or any third party.
- 10.4 The Customer shall immediately and in writing notify SWEP if a third party addresses any claim towards the Customer due to a Product infringing or is claimed to infringe a third party's intellectual property right.
- 11. Indemnity**
- The Customer agrees to indemnify, hold harmless, and defend SWEP, from any and all liabilities (including product liability and liability for infringements of third party intellectual property), losses, damages, costs, claims or lawsuits (including reasonable legal costs), settlements, judgment amounts and expenses, arising out of applying material, processes or other measures supplied or suggested by the Customer, or the Customer's use of the Products or by a third party on behalf of the Customer, either separately or in combination with other products, regardless of whether or not such liabilities, claims or lawsuits result from negligent acts or omissions of the Customer.
- 12. Limitation of liability**
- 12.1 SWEP'S LIABILITY FOR ANY DEFECTS, NON-CONFORMANCES, QUANTITY DEVIATIONS, DELAYS AND OTHER BREACHES OF CONTRACT SHALL BE LIMITED TO WHAT IS EXPRESSLY STATED IN THESE GENERAL TERMS. SWEP'S AGGREGATE LIABILITY FOR ANY DAMAGE OR LOSS OF ANY KIND (REGARDLESS OF HOW IT WAS CAUSED AND INCLUDING ANY DAMAGE OR LOSS CAUSED BY NEGLIGENCE) UNDER OR IN CONNECTION WITH THE PROVISION OF PRODUCTS AND SERVICES SHALL BE LIMITED TO (I) AN AMOUNT EQUAL TO THE PRICE PAID BY THE CUSTOMER FOR THE PRODUCTS AND SERVICES DELIVERED BY SWEP DURING THE 6 MONTHS IMMEDIATELY PRECEDING THE CLAIM OR (II) EUR 100,000, WHICHEVER IS LESS.
- 12.2 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE, FAILURE TO WARN OR TEST, STRICT LIABILITY, OR UNDER ANY OTHER LEGAL THEORY, SHALL SWEP BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES OR LOSSES WHATSOEVER INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF SAVING, LOSS OF REVENUES, LOSS OF INTEREST, LOSS OF INVESTMENTS, LOSS OF GOODWILL, LOSS OF DATA, DOWNTIME OR STANDSTILL COSTS, OR CLAIMS OF CUSTOMER'S CUSTOMER.
- 12.3 TO THE MAXIMUM EXTENT PERMITTED BY LAW, SWEP SHALL NOT BE LIABLE AGAINST THE CUSTOMER FOR ANY DAMAGE OR INJURY THAT THE PRODUCTS MAY CAUSE TO PERSONS OR PROPERTY AFTER THE PRODUCTS HAVE BEEN DELIVERED, EXCEPT WHEN THE DAMAGE OR INJURY IS DUE TO GROSS NEGLIGENCE OR WILFUL MISCONDUCT ON THE PART OF SWEP. NOR SHALL SWEP BE LIABLE FOR ANY DAMAGE TO PROPERTY ON PRODUCTS MANUFACTURED BY THE CUSTOMER, OR TO PRODUCTS OF WHICH THE PRODUCTS FORM PART.
- 12.4 The Customer shall without delay and in writing notify SWEP of any product liability demands imposed upon the Customer in relation to the Products.
- 12.5 Further to 12.3, nothing in the Agreement shall exclude or limit the liability of either Party for death or personal injury caused by a Party's negligence or for fraud or fraudulent misrepresentation or for any other liability to the extent that the same may not be excluded or limited under applicable law.
- 13. Export regulation**
- Customer shall comply with all applicable laws, rules and regulations related to export controls and economic sanctions, and the Customer's execution of this Agreement constitutes its certification that it will remain in compliance with the requirements of such laws, rules and regulations. Customer will not transfer or use SWEP products for activities involving nuclear, chemical, or biological weapons, unsafeguarded nuclear materials, missiles, unmanned aerial vehicles, or nuclear propulsion.
- 14. Anti-bribery**
- The Customer hereby warrants that it will not authorize or make any payments or gifts or any offers or promises of payments or gifts of any kind, directly or indirectly, in connection with this Agreement to government officials, including employees of state-owned companies, or to any third party for the benefit of a government official. The Customer shall comply with all applicable anti-corruption laws (including but not limited to U.S. Foreign Corrupt Practices Act). The Customer's violation of this warranty shall be considered as a material breach of the Agreement and SWEP has the right to terminate the Agreement promptly. The Customer shall not be entitled to damages, penalties, remuneration or other compensation in connection with the termination of any Agreement resulting from a violation of this Section
- 15. Force majeure**
- If and to the extent that a Party's performance of its obligations under the Agreement is made unreasonably onerous or is impeded by circumstances beyond its reasonable control, including e.g. general labour disputes, war, fire, lightning, acts of terrorism, pandemic, restrictions in energy supplies, amendments to regulations issued by governmental authorities, intervention by governmental authorities and faults or delays in services by subcontractors caused by any such circumstances referred to in this Section, the Party shall be released from liability for the fulfilment of such obligations. If a Party intends to claim relief by reason of any such circumstance as referred to in this Section, the Party shall without undue delay notify the other Party in writing accordingly. If the Party's performance is materially prevented for more than three months as a result of any circumstance as referred to in this Section, the other Party shall be entitled to cancel any affected order in writing with immediate effect.
- 16. Confidentiality**
- 16.1 Neither Party shall under these General Terms, without the other Party's written consent, disclose any information to a third party (whether oral or written or in visual, electronic or tangible form) regarding or otherwise relating to the other Party's affairs or other business matters or otherwise use such information for any other purpose than the Party's performance of its obligations according to these General Terms. Notwithstanding the above, SWEP shall have the right to disclose that the Customer is a Customer of SWEP in its marketing activities.
- 16.2 Such confidentiality shall not apply to information which the Party can show became known to it otherwise than through the Parties' business relation or which is publicly known. Nor shall such confidentiality apply when a Party is required to disclose such information by law or any governmental or other regulatory authority, or pursuant to applicable stock exchange rules.
- 16.3 A Party shall return any confidential information upon request by the other Party.
- 16.4 The provisions provided under Sections 16.1-16.3 above are only applicable to the extent that separate agreements between SWEP and the Customer do not provide more far-reaching restrictions.
- 17. Term and termination**
- 17.1 Each Party shall have the right to terminate the Agreement by giving written notice to that effect to the other Party (i) if the other Party should commit a material breach of contract and neglect to remedy such breach of contract within 30 days after receipt of notice to that effect, or (ii) if the other Party should declare itself insolvent, enter into liquidation, be declared bankrupt, initialize company reorganization, enter into composition proceedings or otherwise be considered as insolvent. The notice of termination shall be given without delay once the breach of contract becomes known or should have become known to the aggrieved Party.
- 17.2 In addition to the provisions stated above, SWEP shall at all times have the right to terminate the Agreement (i) with immediate effect if the Customer has delayed payments (unless reasonably disputed) and (ii) for convenience, honouring any accepted and outstanding Orders, upon three (3) months' notice.
- 17.3 On termination of the Agreement, regardless of the reason for such termination, provisions contained in the Agreement that are expressed or by their sense and context are intended to survive the expiration or termination of the Agreement, shall so survive the expiration or termination and continue in full force and effect.
- 18. Miscellaneous**
- 18.1 The Customer may not assign nor transfer any part of its rights or obligations under the Agreement without the prior written consent of SWEP. SWEP may assign or transfer its rights without restriction.
- 18.2 Changes and additions to the Agreement, including to this Section 18.2, must be in writing and duly executed by the Parties.
- 18.3 SWEP shall have the right to engage a subcontractor to fulfil its obligations under these General Terms. If SWEP engages a subcontractor, SWEP shall be liable for such subcontractor's performance as for its own obligations.
- 18.4 Notwithstanding anything in these General Terms which suggest the contrary, the Parties are independent legal entities that act and trade under their own names, for their own accounts and on their own risks. Nothing contained in these General Terms shall be construed as creating a partnership, joint venture or agency relationship between the Parties or as granting either Party the authority to bind or contract any obligation in the name of or on the account of the other Party or to make any statements, representations, warranties or commitments on behalf of the other Party.
- 19. Disputes and applicable law**
- 19.1 The Agreement arising out of or in connection with it shall be governed by and construed in accordance with the laws of People's Republic of China.
- 19.2 All disputes arising out of or in connection with the present contract shall be submitted to Shanghai International Economic and Trade Arbitration Commission (SIETAC) for arbitration which shall be conducted in Shanghai by three (3) arbitrators in accordance with SIETAC's Rules in force at the time of applying for arbitration. Unless agreed otherwise by the Parties, the language to be used in the arbitral proceedings shall be Chinese. The arbitral award is final and binding upon both Parties.
- 19.3 All arbitral proceedings conducted pursuant to Section 19.2, all information disclosed and all documents submitted or issued by or on behalf of any of the disputing Parties or the arbitrators in any such proceedings as well as all decisions and awards made or declared in the course of any such proceedings shall be kept strictly confidential and may not be used for any other purpose than these proceedings or the enforcement of any such decision or award nor be disclosed to any third party without the prior written consent of the Party to which the information relates or, as regards to a decision or award, the prior written consent of all the other disputing Parties.