

# GRUNDFOS' GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY OF PRODUCTS AND SERVICES

## INTRODUCTION

### 1. APPLICATION

1.1 These General Terms and Conditions of Sale and Delivery ("Terms") of products and services (collectively the "Products") apply to the delivery by Bombas Grundfos de Mexico, S.A. de C.V. and Grundfos Mexico Servicios, S.A. de C.V. (each of which is referred to as "Grundfos") of products, services in connection with services to any Customer ("Customer"). In these Terms "Affiliate" shall mean an entity directly or indirectly controlled by Grundfos Company, its Mexican affiliates or subsidiaries whether by shares or voting rights. Sale of any Products is expressly conditioned upon Customer's acceptance of these Terms. No terms and conditions other than the Terms shall be binding upon Grundfos and Customer unless otherwise expressly agreed in writing by Grundfos and Customer, which shall not include the purchase orders issued by the Customer, that must be ruled by these Terms.

1.2 The parties will be deemed to have entered into an agreement, when one party's offer is accepted by the other party, without reservations or alterations. Either the authorization by Customer to ship or provide Products or Customer's receipt thereof will constitute acceptance of these Terms. The offer, the acceptance, these General Terms and Conditions (irrespective of reference or not), and any other documents explicitly accepted by Grundfos, constitute the agreement for Customer's purchase of Products (the "Agreement"). Customer must ensure that Grundfos' acceptance corresponds with Customer's order. If Customer fails to notify Grundfos of any discrepancy or error without undue delay with respect to the foregoing, the terms accepted by Grundfos will be binding upon Customer. Grundfos shall not be deemed to have made a binding agreement until Grundfos has received written, timely and unconditional acceptance from Customer of a Grundfos' quotation.

### 2. INFORMATION BY GRUNDFOS

2.1 Customer is encouraged to seek any necessary technical advice from third-party. Grundfos is not liable for information given to Customer (or any third party acting on Customer's behalf) before, on or after the Agreement has entered into force, unless the parties have entered into a written agreement including Grundfos' advice and separate payment for any such advice.

2.2 If the parties enter into an agreement based on advice from Grundfos, then Grundfos' advice is given only within Grundfos' field of operation, to Grundfos' best knowledge at the time the advice was given and solely based on the information provided by Customer to Grundfos.

## PRODUCT SPECIFIC REGULATION

### 3. GRUNDFOS' INSPECTION

3.1 Grundfos products are subject to inspection and standard testing before dispatch from the factory. Grundfos may supply a test certificate upon Customer's request at an additional cost determined by Grundfos. The test certificate is intended to establish the fact that Products are manufactured following Grundfos' specifications unless the Products are disapproved by the test.

### 4. DELIVERY OF THE PRODUCTS AND TIME OF DELIVERY

4.1 Grundfos shall deliver all Products at the place and time agreed in writing, provided that Customer has ensured that all technical details and formalities concerning the execution of the Agreement are available to Grundfos.

4.2 If Products are not delivered 90 days after the agreed delivery date, Customer is entitled to request delivery in writing and establish a final, reasonable time limit for delivery. If delivery is not made within this time limit, Customer is entitled to terminate for cause, by written notification, the part of the Agreement concerning Products in delay.

4.3 If Customer does not take delivery (fully or partly) on the date agreed, Customer shall pay as if delivery had been made, and Grundfos is entitled to damages from Customer for any loss suffered due to non-delivery including additional transportation and storage costs. Grundfos may alternatively terminate the Agreement (or part thereof) and claim damages from Customer for any loss suffered caused by non-delivery, including any additional transportation costs.

4.4 Grundfos may deliver the Products by instalments in any sequence.

### 5. RISK AND TITLE

5.1 The risk of loss or damage in the delivered products will pass to Customer as per the applicable Incoterms 2020 specified in the Agreement. If no Incoterm 2020 has been specified in the Agreement, the parties agree to EXW Incoterms 2020, and the risk of loss or damage, including risk during the loading, reloading and unloading, in the delivered product will pass to Customer as per the EXW Incoterm 2020.

5.2 For Products delivered in connection with service, the risk of loss of or damage to the Products will pass to Customer on completion of the services. However, if the Products are delivered together with the services, but so that the Products are temporarily placed at Customer's/end-user's site until installation (without Grundfos being present at the site), the risk of the Products passes to Customer when Grundfos delivers the Products to the site.

5.3 Ownership of the Products will not pass to Customer until Grundfos has received payment in full. If Customer does not pay, Grundfos is entitled to take back the Products at the sole cost of Customer. Such retention of ownership does not affect the passing of risk.

### 6. EXAMINATION

6.1 Immediately upon delivery of Products (not delivered and installed in connection with service), Customer shall examine the Products for any visible defects, or shortage, and ensure that the delivered Products comply with the order confirmation. If Customer does not make such examination and notify Grundfos accordingly (if relevant) within 2 working days, Customer shall forfeit its right to claim any defects in the delivered Products, which Customer could have discovered during such examination.

## SERVICE SPECIFIC REGULATION

### 7. DELIVERY OF SERVICES AND TIME OF DELIVERY

7.1 Grundfos shall perform the services professionally and skillfully.

7.2 Grundfos shall perform the services at the agreed place and time, provided that all technical details and formalities concerning the execution of the Agreement are available to Grundfos.

7.3 Grundfos shall perform the services during normal working hours according to Grundfos' policy at the time of performance and delivery (weekends and national holidays are outside normal working hours). The parties may agree that Grundfos shall perform work outside normal working hours; Grundfos will invoice for such hours at Grundfos' applicable rates.

7.4 If Grundfos has not performed and delivered the services 90 days after the agreed delivery date, Customer is entitled to terminate for cause, by written notification, the part of the Agreement in delay.

7.5 Clause 4.3 shall apply if Customer does not take delivery of the services or part thereof as agreed.

7.6 Grundfos shall use reasonable endeavors to observe all Customer's health and safety rules and regulations, and any other reasonable security requirements that apply at Customer's premises, which Customer has communicated to Grundfos. Grundfos shall not be liable for any breach of its obligations under the Agreement, to the extent that such breach is due to Grundfos' non-observation of Customer's health and safety regulations, unless Grundfos had received a written copy of such regulations before entering into the Agreement.

7.7 Unless otherwise agreed, Grundfos will perform the services by one person. In due time before Grundfos' performance of the services, Customer shall inform Grundfos, if the performance of services will require more than one person. If Customer fails to do so, Grundfos may invoice all accrued costs to Customer, also without completion of the services.

7.8 Grundfos shall be entitled to sub-contract any of its obligations without the consent of Customer, as permitted and according to the applicable labor regulations. Grundfos is liable for any acts or omissions of its sub-suppliers.

## 8. CUSTOMER'S OBLIGATIONS

8.1 Customer shall (at its sole cost) and where relevant ensure that its Customers' and end-users':

- (a) cooperate with Grundfos in all matters relating to the delivery of the services;
- (b) provide to Grundfos and its representatives access to Customer's premises and other facilities as reasonably required for the delivery of the services;
- (c) provide adequate lighting, heating, power, ventilation and draining as per Grundfos' reasonable requirements;
- (d) inform Grundfos' engineer or representatives on each visit about any unsatisfactory running or irregular performance of the product on which Grundfos is performing services;
- (e) provide to Grundfos with such documents, information, tools and materials required by Grundfos for the proper provision of the services ("In-Put Materials") and ensure that the In-Put Material is accurate in all material respects;
- (f) ensure that all In-Put Materials are in good working order and suitable for the purposes for which they are used in relation to the services;
- (g) prepare and maintain the relevant premises for the supply of the services, including identifying, monitoring, removing and disposing of any hazardous materials following all applicable laws, before and during the performance of the services;
- (h) inform Grundfos of all health and safety rules and regulations and any other reasonable security requirements that apply at Customer's premises;
- (i) obtain and maintain all necessary permits, authorizations, licenses, approvals, and consents and comply with all relevant legislation enabling Grundfos to - (i) deliver the services at Customer's premises and - (ii) to use the In-Put Materials;
- (j) warrant that Customer is the rightful owner of any equipment or system to be serviced; and
- (k) to the extent that it may interfere with the performance of the services, not provide or grant access to any equipment or system to be serviced to any third party for examination or disassembly.

## GENERAL REGULATION

### 9. PRICE, PAYMENT TERMS AND INVOICING

9.1 The price for the Products is as stated by Grundfos in the Agreement. Grundfos reserves the right to adjust prices for non-delivered Products in the event of alterations in exchange rates, variations in costs of materials, sub-suppliers' price increases, changes in custom duties, changes in wages, state requisitions or similar conditions over which Grundfos has no or limited control. The parties agree that the Purchase Price does not include the applicable VAT.

9.2 Grundfos will invoice Customer upon delivery. Customer shall pay Grundfos as stated in the order confirmation or in the absence hereof within [30] days from the date of the invoice. The obligations of Customer of paying any amount due hereunder are absolute and unconditional. Customer will not be entitled to perform and/or carry-out withholdings, discounts, reductions or offsets of any amounts owed to Grundfos, including, without any limitation, those derived or supposedly derived from claims (present or future alleged or effective and including claims derived from supposed objective liability or negligence from Grundfos) of Customer against Grundfos in accordance with this Agreement or derived from another cause. All payments to be made under this agreement must be made by Customer to the following bank account: BANCO CITI MEXICO CUENTA MXN CLABE 124180000108830088; BENEFICIARIO BOMBAS GRUNDFOS DE MEXICO SA DE CV; CUENTA USD CLABE 124180700099093014 BENEFICIARIO: BOMBAS GRUNDFOS DE MEXICO SA DE CV.

9.3 All payments under this Agreement will be considered made upon receipt of the agreed amounts set forth in the invoices issued by Grundfos, in immediately available funds in Grundfos' bank account identified hereinabove. The original receipt of the corresponding deposit or the respective wire transfer with the corresponding seal issued by the receiving bank, as applicable, will be the payment receipt of those amounts owed and paid under by Customer.

9.4 Unless provided otherwise in writing in the Agreement, all Purchase Prices are exclusive of amounts in respect of value added tax, sales tax or other excise duties chargeable. Customer shall pay any of the aforementioned at the same time as payment is due for related products or services.

9.5 As long as such were required by applicable law, Customer shall (i) pay withholding taxes directly to the appropriate government entity as required by applicable law; (ii) upon request, provide a tax certificate to Grundfos evidencing that Customer has paid withholding taxes; (iii) pay Grundfos only the net proceeds after Customer has paid withholding taxes; and (iv) fully cooperate with Grundfos in seeking a waiver or reduction of withholding taxes and promptly complete and file all relevant documents.

9.6 If Customer does not pay on the due date, Grundfos may, in addition to any other right or remedy that Grundfos may have under applicable law, claim payment for reminders, collection charges and interest. From due date an interest rate is fixed at [2] % per month or ii) the highest

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rate allowable under applicable law, whichever the higher, will be payable. The monthly interest rate will be calculated over the unpaid amount calculated as of the date that payment is past due and remains unpaid, until such defaulted payment is made.

9.7 Grundfos may also (i) make further supply subject to guaranteed payment and suspend other deliveries until Customer has provided the guarantee required by Grundfos; or (ii) suspend the provision of further deliveries until Customer has paid the overdue amounts in full.

9.8 If Customer does not pay overdue invoices (despite one reminder) or in the event of termination of the Agreement, then all payments payable to Grundfos, become due for immediate payment.

## 10. WARRANTY THE WARRANTY

10.1 Grundfos warrants to deliver the products and services in accordance with the Agreement. A product is defective only if it is not delivered in accordance with the Agreement due to faulty material, design or manufacturing on the part of Grundfos or a third party acting on Grundfos' behalf, unless otherwise is stated under the Federal Consumer Protection Law ("FCPL"), if and where applicable.

10.2 Without altering the general nature of Clause 10.1 and except to the extent where otherwise is stated under FCPL (if and where applicable), damage is not covered by the warranty if due to (including); ordinary wear and tear; use of the products for applications for which they are not intended; installation of the products in an environment not suitable for the products in question; modifications, alterations or repair of the products or services undertaken by Customer or a third party (not acting on Grundfos' behalf); failure to follow Grundfos' instructions, e.g. in its installation-, operation-, maintenance- or service manual; installation, commissioning, operation (e.g. use of any Grundfos product outside its specifications) or maintenance not in accordance with Grundfos installation-, operation-, maintenance- or service manual or with good industry practice; use of faulty or inadequate ancillary equipment in combination with the products or services; the application of spare parts of poor quality (excluding the application of any Grundfos original spare parts); accidental or intentional damage or misuse of the products or services by Customer or third party (not acting on Grundfos' behalf); and Customer's or its own product's non-compliance with applicable law and regulation. In addition, the warranty does not cover that a product is fit for a particular purpose or will be able to meet its specifications in the actual application.

### WARRANTY PERIOD

for the warranty to apply, Customer must notify Grundfos of a defect without undue delay and after Customer becomes or should have become aware of the defect and in no event less than 30 (thirty) days after the defect occurred, and (i) for all Grundfos manufactured products not installed or commissioned by Grundfos, a Grundfos Authorized Service Partner or a company previously authorized by Grundfos, Customer must in every respect notify Grundfos no later than 24 months from the date of shipment but no later than 30 months from the date of production; (ii) for Grundfos manufactured products installed or commissioned by Grundfos, a Grundfos Authorized Service Partner or a company previously authorized by Grundfos, Customer must in every respect notify Grundfos no later than 24 months from the date of installation of the product, however no later than 30 months from the date of production; (iii) for PACO, Yeomans, Chicago Pump, Morris, and Sewer Chewer products not installed or commissioned by Grundfos, a Grundfos Authorized Service Partner or a company previously authorized by Grundfos, Customer must in every respect notify Grundfos no later than 12 months from the date of shipment; (iv) for PACO, Yeomans, Chicago Pump, Morris, Sewer Chewer products installed or commissioned by Grundfos, a Grundfos Authorized Service Partner or a company previously authorized by Grundfos, Customer must in every respect notify Grundfos no later than 12 months from the date of installation but no later than 18 months from the date of shipment; and (v) for services (not including repair of a product outside of the warranty), Customer must notify Grundfos no later than 12 months from the performance of the services (the "Warranty Notification Period").

Products sold by Grundfos but manufactured by others are subject to the warranty granted by the manufacturer of said products and not by Grundfos warranty.

Any extended warranty is subject to the particular warranty terms set out by Grundfos in writing.

In case of remedy of defects, the original Warranty Notification Period related to the product and services as such remains the same after remedy (including where the whole product is replaced).

In case of a repair of a product outside of the warranty, the Warranty Notification Period will be 90 days from the date of repair.

Notwithstanding the above, the Warranty Notification Period does not exceed 30 months calculated from date of production of the first product delivered whether or not Customer has acquired extended Warranty Notification Period.

### REMEDY OF DEFECTS

10.3 Subject to the terms of the Agreement, Grundfos shall remedy defective (parts of a) product or services covered by the warranty. Grundfos in its sole discretion decides whether Grundfos remedies by repair or replacement (in whole or part) of the defective (part of the) product or services. Grundfos remedies defects within normal working hours.

10.4 Place of remedial works is as follows:

(a) For products covered under Grundfos' warranty and products delivered in connection with services, Customer must return the defective product to the distributor from which the product was purchased or to Grundfos' Authorized Service Partner or otherwise as per Grundfos instructions for repair or replacement, unless Grundfos decides that the remedial works will take place at the place of delivery or the site of the end-user.

(b) Grundfos reserves the right in its sole discretion to inspect and repair or replace the defective product at the site of installation, subject to clauses 10.6 and Customer's acceptance.

(c) For services, Grundfos inspects and repairs or replaces the defective services at the site of installation of the end-user.

10.5 Grundfos shall cover its costs for repair or replacement of defective products and services but Grundfos' obligation to repair or replace shall not exceed the purchase price of the defective

product or service. However, except where otherwise is stated under FCPL (if and where applicable),

(a) Costs of transportation relating to a defective (part of a) product and products delivered in connection with services, are allocated as follows:

(i) Customer covers any expenses related to transport, of the (part of the) product to and from Grundfos' distributor/Authorized Service Partner or otherwise as per Grundfos instructions, as well as travelling cost and travelling time of Grundfos' personnel to the site if a defect is assessed at the site on Customer's request.

(ii) If Grundfos in its sole discretion decides to inspect a defective product at the site, then Grundfos covers all transportation costs and relating travelling cost and travelling time of Grundfos' personnel to and from the location of the product for inspection purpose if it is found that the defect is covered under the warranty.

(b) Customer covers any expenses for dismounting and mounting, deinstallation and reinstallation.

(c) Customer covers Grundfos' expenses related to waiting time caused by Customer.

(d) If it shows that a product subject to repair or replacement did not suffer from a defect, Customer shall cover all expenses related hereto, including transportation, travel expenses and labor costs. Grundfos may charge an amount calculated based on Grundfos' pricelist to cover any expenses related to such service.

10.6 Defective products must be returned together with proof of purchase, proof of installation date, failure date, and any other installation support data and accompanied by an authorization for the return material ("RMA") issued by Grundfos. Unless requested by Grundfos, the product may not be disassembled prior to remedy. Any failure to comply herewith will render the warranty void.

10.7 Grundfos may refuse – and will not be liable, in contract, tort (including negligence), breach of statutory duty or otherwise – to remedy defects, if Grundfos considers that such remedy may cause harm to the environment or injury to people.

Products exposed to toxic materials or used in a mining application must be accompanied by the following documents: (1) Proof of Cleanliness, a document that confirms to Grundfos that the product is clean and can be manipulated by his technical personnel, (2) MSDS / SDS sheets. For products remedied at end-user's site, only Proof of Cleanliness must be provided. Products that have been exposed to radioactive materials will not be accepted in return by Grundfos.

10.8 Except where otherwise is stated under FCPL (if and where applicable), in with case the provisions of FCPL apply, the remedy of repair or replacement is the only remedy available to customer for defective products or services. Subject to Grundfos' obligations as regards product liability, cf. clause 11, Grundfos has no other or further liability to customer whether for breach of agreement, negligence or otherwise in respect of any defect in a product or service.

## 11. PRODUCT LIABILITY

11.1 Grundfos assumes liability for personal injury (including death or injury) and damage to real and personal property, caused by defective products to the extent set out in applicable mandatory law on product liability. Grundfos shall not be liable for any damage to any property (real or movable) caused by the Product after it has been delivered and while it is in the possession of Customer. Nor shall Grundfos be liable for any damage to products manufactured by Customer or to products of which Customer's products form a part.

11.2 Grundfos' liability for damage to real and personal property (not being consumer property) caused by a defective product is subject to the limitations in Clauses 11 and 12, however, so that Grundfos' total liability is limited as described Clause 12.2. If Grundfos incurs liability towards any third party for such damage as described in the preceding paragraph, Customer shall indemnify, defend and hold Grundfos harmless.

## 12. LIMITATION OF LIABILITY

12.1 To the extent permitted by applicable law, neither party is liable (in contract, tort (including negligence), breach of statutory duty or otherwise), for loss of production, loss of turnover, loss of profit, loss of business opportunity, loss of data, loss of savings, loss of goodwill, loss relating to unauthorized access to data or systems, loss as a result of business interruption, or any other indirect or consequential losses of any kind whatsoever arising under, relating to or in connection with the Agreement or a breach hereof. Grundfos is not liable for any liquidated damages, penalties and similar contractual liabilities levied against the Customer by a third party.

12.2 To the extent permitted by applicable law, Grundfos' total liability (including in regard to payment of liquidated damages (if any) and third-party claims) towards Customer in respect of all losses arising under or in connection with the Agreement and the cooperation, whether in contract, tort (including negligence), breach of statutory duty or otherwise, shall not exceed 30% of the amount invoiced by Grundfos to Customer thereunder.

12.3 The limitations set out in Clause 12 do not apply if an act or failure to act of a party causes personal injury; or if a party intentionally or in gross negligence, fraudulent misrepresentation or any other liability which cannot be excluded or limited by the law and that causes the other party to suffer a loss.

12.4 The parties agree that Grundfos has set its prices for the Products and services and entered into the transaction in reliance upon the disclaimers of warranty and the limitations of liability set forth herein, and that the same reflect a risk allocation between the parties forming an essential basis for the bargain between them.

12.5 If Customer bases a claim on losses deriving from more than one agreement or from one or more agreements in combination with a Grundfos company's delivery of products or other services, then Grundfos' total liability (if any) will be allocated to the different supplies based on each such supplies' contribution to the claimed losses. Each allocated part of the total liability will be determined in accordance with the legal basis applicable between the parties for the said part of the total losses, including any agreed limitation of liability. Claims or complaints as to defects and/or delay in delivery of the Products or other claims shall be submitted in writing by Customer to Grundfos without undue delay.

## 13. INTELLECTUAL PROPERTY RIGHTS

13.1 Customer shall use the products in a manner that does not infringe third party rights.

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- 13.2 Nothing in the Agreement or otherwise transfers or assigns any intellectual property rights, in or arising out of or in connection with the products or services and in any manuals or documentation given by Grundfos to Customer.
- 13.3 If the Product is delivered with embedded software, Customer obtains a non-exclusive software license in form of a right of use to the software solely for the purposes set out in applicable specification of the Product, and in accordance with any applicable license conditions made available. Aside from this, Customer obtains no rights in form of license, patent, copyright, trademark or other proprietary right connected to the Products. Customer shall not obtain any rights to source codes to such software. Software provided separately regardless of how it is provided by Grundfos is made available on an "as is", "where is" and "with all faults" basis, and may be used solely for the purpose for which it is intended, and subject to any applicable license conditions. Grundfos shall not be liable in any way for errors or for any loss or damage arising out of or as a result of use of such separate software, or any third party software relating thereto.
- 13.4 Grundfos, at its election, may defend any suit or proceeding brought against Customer as far as the same is based on a claim that any Product or part thereof delivered by Grundfos, constitutes an infringement of any third party intellectual property rights in the country of delivery, if notified promptly in writing and given authority, information and assistance for the defense of the same and if such alleged infringement is not the result of the design or other special requirements specified by Customer or the application or use to which such Product is put to use by Customer or others. If Grundfos elects to defend such suit or proceeding, Grundfos will pay all damages and costs awarded under such suit or proceeding against Customer. If such Product or part thereof is held to infringe any such third party intellectual property rights and use thereof is enjoined, Grundfos will, at its option, (a) procure Customer with the right to continue use of such Product, (b) replace same with non-infringing Product(s) or parts thereof, (c) modify the same so that it becomes non-infringing, or (d) remove said Product or part thereof and refund the purchase price. The foregoing states the entire liability of Grundfos to Customer for infringement of intellectual property rights.
- 14 INDEMNIFICATION**
- 14.1 With respect to any Proceeding brought by someone other than Customer against Grundfos and that arises out of or in connection with the Agreement, the corporation or Customer's purchase or use of the products and/or purchase of services, Customer shall indemnify Grundfos against all Losses arising out of that Proceeding, except to the extent that Grundfos negligently or intentionally caused those Losses. "Proceeding" means any judicial, administrative, or arbitration action, suit, claim, investigation, or another proceeding. "Losses" mean any litigation expenses (including any reasonable out-of-pocket expense incurred in defending a proceeding or in any related investigation or negotiation) and any loss (including any amount awarded in, or paid in settlement of, any Proceeding).
- 14.2 Customer shall indemnify and hold Grundfos harmless for all claims arising from damage resulting from the use or operation of the Products because of the improper installation, repair, maintenance or operation of the Products or services by Customer, the failure of Customer to adequately train personnel in the operation of the Products or services, or Customer's failure to comply with applicable laws or regulations or otherwise. If a claim for damage as described in this clause is lodged by a third party against either Grundfos or Customer, the respondent party shall immediately inform the other party thereof in writing. Customer shall be obliged to let itself be summoned to the court or arbitral tribunal examining claims for damages lodged against Grundfos on the basis of damage allegedly caused by the Product or a service.
- 15 DRAWINGS AND DESCRIPTIONS**
- 15.1 Any information of weight, dimensions, capacity, price, technical and other data given in catalogues, leaflets, circular letters, advertisements, pictures and pricelists is approximate only.
- 15.2 All drawings and descriptions supplied by Grundfos remain the property of Grundfos and may not be copied, reproduced, passed on to or in any other way communicated to a third party without permission from Grundfos. Customer receives the ownership of drawings and descriptions necessary for the proper installation, starting, operation and maintenance of the products. Upon Grundfos' demand, Customer shall treat these data confidentially.
- 16 CHANGES**
- 16.1 Grundfos shall have the right to make any changes to the products and services, which are necessary to comply with applicable law or safety requirement, or which do not significantly affect the nature or quality of the products and services negatively. If Grundfos requests other changes, Customer shall not unreasonably withhold or delay consent to such requests.
- 17 CONFIDENTIALITY**
- 17.1 A party (receiving party) shall keep in strict confidence all technical or commercial know-how, specifications, prices, inventions, processes, initiatives and any other information concerning the disclosing party's business, its products and services which are of a confidential nature (confidential information) and have been disclosed to the receiving party by the other party (disclosing party), its employees, agents or subcontractors (representatives). The receiving party shall not use confidential information of the disclosing party for purposes other than the performance of its obligations under the Agreement, including (except as permitted by applicable law) not to reverse engineer the products and any software in the products. The receiving party may only disclose confidential information to those of its representatives who need to know to discharge the receiving party's obligations and rights under the Agreement and shall ensure that such representatives comply with the obligations set out in this Clause 17 as though they were a party to these terms.
- 17.2 The obligations under this Clause 17 apply from the execution of the Agreement and – subject to applicable law – for a period of 5 years after the Agreement expires or is terminated.
- 18 FORCE MAJEURE**
- 18.1 Neither party will be in breach of the Agreement nor liable for delay in performing, or failure to perform, any of its obligations under the Agreement if such delay or failure results from a hindrance beyond its reasonable control, including, but not limited to, riots, civil unrest, war, terrorism, fire, insurrection, requisition, seizure, embargo or defects or delays in deliveries by sub-suppliers, strikes, lockouts, slowdowns, lack of transportation, scarcity of materials, and insufficient supplies of energy ("Force Majeure"). In the event of a Force Majeure, the parties agree to suspend the affected party's obligations until the Force Majeure situation ceases to exist. Grundfos is entitled to cancel orders or suspend delivery of Products or services and shall not be liable for any non-delivery, faulty or delayed delivery, which partly or wholly is caused by circumstances beyond Grundfos' reasonable control or Force Majeure.
- 18.2 Either party may terminate the Agreement with immediate effect upon notice to the other party if the period of Force Majeure continues for a period of 3 consecutive months. In case of termination due to such circumstances, neither party shall be liable to the other for such termination.
- 18.3 Any of Customer's contractual rights are suspended or become void in any such circumstances referred to in this clause. Customer is not entitled to any kind of damages or to make a claim whatsoever in case of cancellation or delayed delivery due to such circumstances.
- 19 TERMINATION**
- 19.1 If a party materially breaches its obligations under the Agreement, the other party may, with no effect on its other rights and remedies, terminate the Agreement for cause with immediate effect, if either such material breach is incapable of remedy; if the defaulting party to the Agreement has failed to remedy within 30 days after receiving notice requiring it to do so; or if – for material breaches that due to their nature are incapable of remedying within the 30 days period – such remedy has not been initiated within 30 days after receiving notice requiring it to do so. The above-mentioned does not affect any other termination rights given under the Agreement.
- 19.2 Termination of the Agreement (regardless of the cause) will not affect those provisions of the Agreement which, by nature or necessity, provide that they operate after its expiration.
- 20 PERSONAL DATA**
- 20.1 Grundfos processes personal data following applicable data protection laws and its Privacy Notice which may be found at <https://www.grundfos.com/mx/legal/privacy>. Personal data of individual contacts of the Customer such as name and business contact details may be processed and stored globally outside of the Customer's country by Grundfos, its affiliates or authorized third party providers. Grundfos will use personal data to perform its contractual obligations (such as administration of Customer relations and of payment transactions), to analyze and improve its products and services, and/or to send information on products, services and events of Grundfos to contact persons of Customer. Grundfos will keep personal data for the duration of the contractual relationship and any extended period as permitted or required by applicable law. Where required by mandatory law and provided that the necessary conditions are satisfied, the Customer may as a natural person have the right to access, rectify, inquire about or, object to the processing of his personal data. For further details contact your local Grundfos contact – see <https://www.grundfos.com/mx>.
- 21 MISCELLANEOUS**
- 21.1 The Agreement may not be transferred or assigned in whole or in part by operation of law or otherwise by Customer, without the prior written consent from Grundfos. Without prior notice, Grundfos may assign rights and obligations under the Agreement, including the General Terms and Conditions, to any company within the Grundfos group.
- 21.2 The products must bear a Grundfos nameplate, including Grundfos' trademarks. A party does not have the right to use the other party's trade names, trademarks, logos or other signs or identification symbols unless the prior written consent of the other party.
- 21.3 Capitalized words and phrases not otherwise defined in these General Terms and Conditions have the same meaning in all parts of this Agreement unless the context dictates otherwise.
- 21.4 A quotation by Grundfos is valid for a period of 30 days from the date of issuance unless Grundfos has specified otherwise in the quotation. Grundfos reserves the right to alter quotations before the expiry of the validity period if Customer has not placed a purchase order.
- 21.5 Grundfos may at any time without being liable correct typographical, clerical or other errors or omissions in sales material, quotations, price lists, order confirmations, invoices or other documents or information issued by Grundfos.
- 22 EXPORT CONTROL AND SANCTIONED PARTIES**
- 22.1 Any delivery covered by the Agreement may be subject to export control and trade sanction rules, including such rules of among others the European Union, United Nations and the United States of America.
- 22.2 It is a condition for Grundfos' delivery of Products and services to Customer that Customer complies with all applicable export control and trade sanction rules, including having relevant compliance procedures and controls.
- 22.3 If due to export control and trade sanction rules, Grundfos considers that it is or will be prohibited, hindered, restricted or significantly adversely affected in complying with its obligations under the Agreement, Grundfos may cancel or postpone the delivery of the products or services. In such cases, Grundfos will not be liable for any direct or indirect claim or loss.
- 22.4 To enable authorities or Grundfos to conduct checks on Customer's compliance with the export control and trade sanction rules, or in support of Grundfos' applications to the appropriate authorities in connection with the export and/or sale of the products and/or services under the Agreement, Customer shall - upon reasonable request from Grundfos - promptly provide to Grundfos all information on the particular end-user, the parties involved in the delivery, the particular destination(s) and the particular intended use of the products and/or services.
- 23 GOVERNING LAW AND DISPUTES-VENUE**
- 23.1 The Agreement, and any dispute or claim arising out of or in connection with it or its formation (including non-contractual disputes or claims) shall be governed and construed in accordance with the applicable laws of the Mexican Code of Commerce. For any controversy arising out of or relating to this Agreement, including any counterclaim, both parties expressly submit themselves to the jurisdiction of the competent courts of Monterrey, Nuevo León, Mexico, expressly waiving any other jurisdiction which for reason of domicile or other concept may correspond to them either now or in the future. The United Nations Convention on Contracts for the International Sale of Goods will not apply to these Terms or any Supply Agreement.
- 24 NOTICES**
- 24.1 All notices, requests or requirements in connection with this Agreement shall be delivered in hand at the chosen domiciles of each of the parties or sent via overnight delivery courier, return receipt requested. Such notices shall be deemed received on the date entered in the respective acknowledgment of receipt or confirmation or, otherwise, the day following the day when it is delivered, paid postage, in an overnight delivery courier. Such notices shall be delivered to the

## GRUNDFOS' GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY OF PRODUCTS AND SERVICES

following domiciles:

If to Grundfos, to: [servicioclientes-mx@sales.grundfos.com](mailto:servicioclientes-mx@sales.grundfos.com)

If to Customer, to: the email provided in customer's credit application

24.2 Either party may change the email set forth above just by sending a notice to the other party with 30 days prior notice. Any notice sent by one of the parties to the other, whether via e-mail or Fax shall be deemed properly and opportune sent if it is confirmed in writing in the terms of this clause.