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 of products and services ("**General Terms and Conditions**") apply to the delivery by Grundfos Gulf Distribution FZE and any Grundfos branches or subsidiaries in the UAE including Grundfos DK AS - Dubai Branch ("**Grundfos**") of products, services, and products in connection with services to customer.

1.2 The parties have entered into an agreement, when one party's offer is accepted by the other party, without reservations or alterations. Customer's receipt of products or services constitutes acceptance in fact. The offer, the acceptance, the 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 or services (the **"Agreement"**).

1.3 Customer must ensure that Grundfos' acceptance corresponds with customer's offer. If customer fails to notify Grundfos of any non-correspondence without undue delay, Grundfos' acceptance will be binding upon customer.

1.4 If Grundfos and Customer have entered into a separate agreement accepted by both parties in writing, the terms of that agreement shall apply. These General Terms and Conditions shall, however, apply to matters not addressed in the aforementioned agreement.

2. INFORMATION BY GRUNDFOS

2.1 Customer is encouraged to seek any necessary technical advice from third-party. Except for specific information about a product, 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 All products are subject to inspection and standard testing before dispatch from the factory. Grundfos may supply a test certificate on customer's demand and at a charge requested 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, TIME OF DELIVERY AND CANCELLATION

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, and provided that the customer makes the payment according to clause 9.2 below.

4.2 All delivery dates quoted and/or confirmed by Grundfos are approximate only and Grundfos will not be liable for any additional costs to the customer arising out of any delay in delivery of the products however caused. Time is not of the essence for the Agreement.

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 claim 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.

4.5 No Agreement can be cancelled and no products can be returned without the prior written acceptance by Grundfos. If Grundfos accepts to cancel an Agreement or return a product, customer shall pay a cancellation/return fee of 50-100% of the value of the Agreement, and Grundfos has the right to calculate the cancellation/return fee at its discretion. In addition to the cancellation/return fee Grundfos will charge a handling fee of 20 % of the value of the Agreement. The cancellation/return fee and the handling fee shall in total not exceed 100% of the value of the Agreement.

5. RISK AND TITLE

5.1 Grundfos' term of delivery of products is CIF (cf. Incoterms 2010) at the place of delivery as specified in the Agreement.

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) without delay, 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 skilfully.

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 endeavours 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' 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. 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) co-operate 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, authorisations, licences, 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 and services is as stated by Grundfos in the Agreement.

9.2 Customer shall pay Grundfos 100% of the price for the products and services ordered immediately upon conclusion of the Agreement, unless otherwise agreed. Grundfos will not initiate manufacturing of any products or perform any services, before Grundfos has received full pre-payment. Grundfos will invoice customer upon delivery.

9.3 Any amount payable by customer is 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.

9.4 Customer shall comply with all requirements in applicable law in relation to tax and/or VAT and cooperate with Grundfos in all tax/VAT matters to the extent needed.

9.5 If customer does not pay on the due date, Grundfos may, with no effect on any other right or remedy that Grundfos may have under applicable law, claim payment for reminders, collection charges and interest for delayed payment. Interest is fixed at 2 % per month (or the highest interest rate under applicable law). Interest will accrue daily from the due date until actual payment of the overdue amount. 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.

9.6 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.

9.7 If customer pays an invoice so that Grundfos receives the full amount earlier than on the due date, customer could be eligible to a discount under Grundfos' early payment procedure. Grundfos will provide further information about early payment procedure upon request.

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.

10.2 Without altering the general nature of Clause 10.1, damage is not covered by the warranty if due to (including); ordinary wear and tear; expiration of shelf life of sensors and chemical reagents; 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.

10.2a For BMS/T/X pumps and fire fighting pumps, the warranty is only valid if the products are commissioned by Grundfos or by Grundfos' authorized service partners with the commissioning report approved by Grundfos. Commissioning fees apply.

WARRANTY PERIOD

10.3 For the warranty to apply, customer must notify Grundfos of a defect without undue delay after customer becomes or should have become aware of the defect, and (i) for products, customer must in every respect notify Grundfos no later than 24 months from the date of delivery of the product, however not exceeding 30 months from the date of production, and (ii) for services, customer must notify Grundfos no later than 24 months from the performance of the services (the "Warranty Notification Period"). If Grundfos installs and/or commissions the product, then the Warranty Notification Period for that product, will be not less than 12 months from the date of installation and/or commissioning based on the appropriate handover documentation.

10.4 In case of remedy of defects, the Warranty Notification Period related to the product and services as such remains the same after remedy, however if (part of) a product is repaired or replaced, the Warranty Notification Period concerning such repaired/replaced (parts of the) product is 6 months from the date of repair or replacement, provided that the 6 months' period does not expire before the expiry of the initial Warranty Notification Period for the product.

Notwithstanding the above, the Warranty Notification Period for a repaired or replaced (part of a) product will not exceed the Warranty Notification Period for the first delivered product plus 6 months.

REMEDY OF DEFECTS

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

10.6 Place of remedial works is as follows:

(a) For products with a motor with an electrical power of less than 5.5 kW (including products without a motor) and products delivered in connection with services, customer must return the defective product to Grundfos' workshop 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) For products with a motor with an electrical power of 5.5 kW or greater Grundfos inspects and repairs or replaces the defective product at the site of installation, subject to clause 10.9.

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

10.7 Grundfos shall cover its costs for repair or replacement of defective products and services. However,

(a) For a defective (part of a) product with a motor with an electrical power less than 5.5 kW (including products without a motor) and those delivered in connection with services, all costs related to the transport of the product from the place of delivery or from customer's (or end-user's) site to Grundfos' workshop shall be at the customer's account. All costs related to the transport of the product from Grundfos' workshop back to either (at Grundfos' discretion) i) the place of delivery, ii) customer's (or end-user's) site or iii) the closest Grundfos service partner, shall be at Grundfos' account.

(b) For a defective (part of a) product with a motor with an electrical power of 5.5 kW or greater, which is installed on a location that – at Grundfos' sole discretion – is difficult to reach or at a remote site, all expenses related to transport, travelling and travelling time of Grundfos' personnel and the (parts of the) product shall be covered by customer.

(c) Customer covers any expenses for dismounting and mounting.

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

(e) 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 costs. Grundfos may charge an amount calculated based on Grundfos' pricelist to cover any expenses related to such service. If Grundfos sends customer an offer for repair and customer does not react to Grundfos' offer within 30 days, Grundfos may i) at customer's expense return the product to customer dismantled, freight forward and uninsured or ii) dispose or sell the product, provided that Grundfos prior hereto has sent no less than 2 notices with an individual deadline of minimum 30 days for the customer to respond and with information on Grundfos' intensions to dispose or sell the product. Grundfos may charge storage costs. Subject to applicable law, Grundfos reserves all rights to and in the product until the customer has settled all claims.

10.8 Unless requested by Grundfos, the product may not be disassembled prior to remedy. Any failure to comply herewith will render the warranty void.

10.9 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.

10.10 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' liability for damage to real and personal property (not being consumer property) caused by a defective product is subject to the limitations in Clause 12, however, so that Grundfos' total liability as described in Clause 12.2 for damage to real and personal property is limited to a maximum amount of the higher of EUR 3 million (per claim and in the annual aggregate) and the amount set out in Clause 12.2. Customer assumes all product liability, which is not allocated to Grundfos in this Clause 11.1.

11.2 If a party is held liable for damages allocated to the other party in Clause 11.1, then the other party shall indemnify the first party for any amount paid inconsistently with the allocation in Clause 11.1.

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 unauthorised 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, will not exceed an amount equal to 30 % of the total amount paid or payable by customer under the Agreement (excl. any VAT and taxes) on which the claim is based.

12.3 The limitations set out in Clause 12.1 and 12.2 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 causes the other party to suffer a loss.

12.4 The parties agree that the price for the products and services reflects the balance of the parties' rights and obligations under the Agreement, including also the limitations in Clause 12.

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.

13. INTELLECTUAL PROPERTY RIGHTS

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

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.

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).

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 and is not binding on Grundfos, unless verified with Grundfos before entering into the Agreement.

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 ("**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.

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. However, such termination will not affect any pre-existing liabilities or claims or any other provisions of the Agreement.

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 any expiration.

20. PERSONAL DATA

20.1 Grundfos processes personal data following applicable data protection laws. To learn more visit Grundfos' website where the Grundfos privacy notice is available.

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 Capitalised 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. LAW AND 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) is governed by and constructed in accordance with the laws of the United Arab Emirates, without reference to the conflict of laws or principles thereof which may cause the application of the laws of another country.

23.2 The parties agree that the DIFC courts in Dubai have exclusive jurisdiction to settle any dispute or claim (including non-contractual) that arises out of, or in connection with, the Agreement or its formation.

We have read, understood and agree to Grundfos' General Terms and Conditions of Sale and Delivery of Products and Services:

For:

Name:

Title:

Date:

Signature: