

## **General Terms and Conditions of Sale of Pentair Water Proces Technologie Holding B.V. and its subsidiaries**

### **1. Applicability**

**1.1** These General Terms and Conditions (hereinafter to be referred to as the "Terms") govern the offering, sale and delivery of all goods and/or services (the goods and services hereinafter both separately and jointly referred to as "Goods") from or on behalf of Pentair Water Proces Technologie Holding B.V. and its subsidiaries (hereinafter to be referred to as "Pentair" or the "Supplier") to customer (hereinafter also to be referred to as "Customer") and apply to all similar dealings and agreements between Pentair and Customer. Pentair expressly rejects the applicability of any of the Customer's general terms and conditions (of purchase).

**1.2** Deviations from these Terms shall be permitted only if and in so far as Pentair has expressly accepted any such deviation in writing, with a specific reference to the articles of these Terms to which the deviations relate, and then, only in respect of the mere request or agreement for which the relevant deviations have been agreed.

### **2. Quotations, Orders and the Conclusion and Annulment of Agreements**

**2.1** All quotations issued by Pentair are not binding upon Pentair. All quotations issued by Pentair are revocable and subject to change effective immediately without notice. The Customer shall compensate Pentair for any costs which may arise in relation to the issue of a quotation.

**2.2** An agreement (hereinafter to be referred to as "Agreement") shall be deemed to have been concluded in case and to the extent an agreement has been confirmed by Pentair in writing to the Customer under the conditions stated by Pentair in writing (hereinafter to be referred to as "Pentair's Confirmation"). Pentair shall be entitled to refuse an order without indication of reasons.

**2.3** The contents of a written Confirmation by Pentair shall be binding on the Customer, unless the Customer contests the correctness of the provisions of that Confirmation in writing, with a statement of reasons, within eight business days of the Confirmation having been dispatched by Pentair. If the Customer proves that it was not reasonably possible for it to communicate the objections to the Confirmation within said period, Pentair may, upon request, but at its own discretion, extend the prescribed term by a reasonable time period.

**2.4** Any electronic communication between Pentair and the Customer shall be considered to be a "writing" and/or "in writing". The electronic communication system used by Pentair will serve as a sole proof for the content and the time of delivery and receipt of such electronic communication.

### **3. Delivery**

**3.1** Delivery times and dates quoted by Pentair are guidelines and shall never be of the essence for Pentair. Pentair shall not be liable for any damage(s) which may result from non-adherence to times of delivery.

**3.2** All deliveries of Goods shall be Ex Works from Pentair's production facility. The term Ex Works has the meaning set forth in the INCOTERMS published by the International Chamber of Commerce at Paris, France at the time of Pentair's Confirmation. As of the moment of delivery by Pentair the Customer shall carry the full risk of the Goods.

**3.3** All prices shall be quoted Ex Works.

**3.4** Pentair may assign its obligations under the Agreement to third parties, or have them performed by third parties.

### **4. Price and Payment**

**4.1** Pentair is - with immediate effect after written prior notice - entitled to increase the price of the Goods still to be delivered if the cost price determining factors have been subject to an increase. These factors include, but are not limited to: (i) raw and auxiliary materials, semi finished products, consumables such as oil, water and energy; (ii) governmental measures and changes in the foreign exchange rates, products and services obtained from third parties, freight rates, import and export duties, excise duties, levies, taxes (in so far such rates, duties, levies and taxes are included in the price of the Goods), wages, salaries, social security contributions, freight costs and insurance premiums; Pentair is also entitled - with immediate effect after written prior notice - to increase the price of the Goods in case of a delay of the delivery times and delivery dates referred to in section 3 above which is not attributable to Pentair; Unless specifically agreed, the price shall not include import duties, levies and taxes, fees or other charges or costs relating to the application, granting and maintenance of the permits which are necessary to

carry out the Agreement, or traveling and hotel expenses, which charges, costs and expenses shall be reimbursed separately by the Customer to Pentair.

**4.2** The Customer shall pay invoices, without any discount, set-off or postponement, within 30 days of the invoice date.

**4.3** Every payment by Customer shall be in the first place serve to pay the judicial and extra-judicial costs and the interest owed by it and afterwards shall be deducted from the oldest outstanding claim regardless of contrary advice from Customer.

**4.4** Any complaint with respect to the invoice must be notified to Pentair within eight business days after the date of invoice. Thereafter Customer shall be deemed to have approved the invoice.

**4.5** If Pentair has at any time any doubts about the Customer's financial position, Pentair may demand the Customer to provide (additional) security for its compliance with its payment obligations. Customer is obliged to provide the requested security within the term set by Pentair. If Customer fails to provide the requested security, Pentair is entitled to postpone the supply of Goods.

**4.6** In the event of any late payment by the Customer, the Customer shall be in default, without any prior reminder or notice of default being required, as of the date payment should have been made. Said date of payment shall be considered of the essence and, as of that date, Pentair shall be entitled to suspend its obligations under the Agreement and/or rescind the Agreement, whilst as from that moment, the Customer shall owe interest on the amount outstanding at the legal interest rate as stipulated in section 119a of Book 6 of the Dutch Civil Code plus 1% per month.

**4.7** If any of the following events occur in respect of the Customer, then at that time all amounts to be paid by the Customer shall become immediately due and payable and Pentair shall be entitled to suspend its obligations under the Agreement and/or rescind the Agreement without prior notice: (a) if an application for a suspension of payments (moratorium) or for the bankruptcy of the Customer is filed or granted; (b) if a material part of the assets of Customer is frozen by an attachment or sold to a third party; (c) if a trustee or receiver or administrator is appointed for all or a substantial part of the assets of Customer; (d) if Customer enters into a deed of arrangement or makes any assignment for the benefit of its creditors; (e) if there is a change in the control in respect of the business of Customer; (f) if the Customer's company is liquidated or if the business carried on by the Customer is discontinued in whole or in part; (g) if the Customer fails to comply in full or in part with its obligations towards Pentair. The Customer shall be under an obligation to immediately notify Pentair if any of the events described above occurs.

**4.8** Customer shall reimburse Pentair for any costs of collection incurred by Pentair due to non payment or late payment of its receivables by the Customer.

## **5. Retention of Title**

**5.1** Goods supplied by Pentair shall remain its property until the Customer has fully complied with all its obligations towards Pentair.

**5.2** As long as Pentair's retention of title exists, the Customer is entitled to use the Goods solely to the extent required in its ordinary course of business, and, to the extent possible, shall: - keep the Goods separate and in a clearly identifiable manner; - notify Pentair immediately of any claim by third parties which may affect the Goods; and - adequately insure the Goods.

## **6. Intellectual and Industrial Property Rights**

**6.1** Pentair is the sole owner of all right, title and interest in all intellectual and industrial property rights, including proprietary rights in any and all confidential information, including but not limited to technical know how and other trade secrets, in and to all (i) products, membrane modules, machines, installations and equipment and other hardware ("Hardware"), (ii) computer programs, (source) codes and databases ("Software"), and (iii) any and all related materials, documentation and information ("Documentation") provided under any proposal/offering from Pentair or developed under any Agreement between Pentair and Customer ("Proprietary Materials"). Unless otherwise agreed in writing, Customer shall only have a non-exclusive and non-transferable right to use such Proprietary Materials to the extent required for the customary use of the Hardware as acquired from Pentair and shall not be entitled to reproduce, alter, adjust or reengineer any part thereof. Customer shall not disclose or publish any part of the confidential information provided by or obtained from Pentair and take all customary measures to maintain the confidentiality thereof.

**6.2** The Proprietary Materials shall not be used for, and are not intended or represented to be suitable for, any purpose other than the customary use of the Hardware as acquired from Pentair. Customer will be liable for, and will hold Pentair harmless from and against, any claims, damages and costs related to any use in violation of these provisions and any such use will be at Customer's sole risk and account.

**6.3** Pentair has not verified the possible existence of third party intellectual property rights which might be infringed as a consequence of the sale and delivery of the Goods and Pentair shall not be held liable for any loss or damages in that respect. Customer expressly assumes all risks of any intellectual property infringement by reason of its importation and/ or use of the Goods.

## **7. Warranty**

**7.1** Pentair solely warrants that on the date of delivery the Goods are free from defects in material and workmanship. Except for this warranty, Pentair only issues warranties if and in so far as specifically stipulated by Pentair in writing. If and to the extent Goods fail to meet such warranty, Pentair may at its own option within a reasonable time either repair or replace the Goods, or issue a credit for any such Goods to the maximum of the amount of the original invoice price. Accordingly, Pentair's liability shall be limited solely to repair or replacement of the Goods or for credit of the Goods.

**7.2** The warranties and remedies as laid down in subsection 7.1 are exclusive and all other express or implied statutory and other warranties, representations, remedies and other obligations are excluded.

**7.3** No warranty shall be given in respect of:

- emergency repairs;- used parts and/or parts which are subject to wear and tear and/or are vulnerable;- Goods or installations not supplied, or supplied only in part, by Pentair or not installed and/or put into operation by Pentair.

**7.4** Warranties shall cease to be valid completely and with immediate effect if:

- the Customer has not fully complied with Pentair's instructions regarding use and maintenance, in which case the Customer must prove that said instructions have been observed by the Customer; - the Customer has made any change to the good or installation in which the defect has been discovered without having obtained Pentair's consent; - the Customer has not offered Pentair the opportunity to do everything which would be necessary or desirable to repair the defect concerned.

**7.5** Unless otherwise agreed, Customer shall be responsible for presenting the end-users of the Goods and the products of Customer which incorporate the Goods with correct and complete user instructions, installation instructions and product warnings and Customer shall be solely responsible for the contents thereof. If Pentair would supply instructions to Customer regarding the Goods, such instructions do not imply or construe any warranty or representation whatsoever towards the end-users. Customer is not entitled to make warranties and representations towards the end-users on behalf of Pentair.

**7.6** Customer will pursue and ensure that all tests, approvals and certifications necessary for the sale of Goods to end-users, and necessary for the sale of products of Customer which incorporate the Goods to end-users, are obtained.

## **8. Complaints**

**8.1** Any complaints as to defects regarding the Goods (including hidden defects) and claims based on warranties must be submitted in writing to Pentair within eight business days from the date of delivery of the Goods in respect of any defect which would be apparent from an inspection on delivery, and not later than eight business days after the discovery of the defect by the Customer, but in no event later than six months from the date of delivery of the Goods – un-less another term has been explicitly agreed- , failing which the right to complain shall lapse.

**8.2** If the Goods have been approved by the Customer, the Customer shall lose the right to complain. Use or processing of the Goods shall be deemed to be an unconditional acceptance of the Goods and a waiver of all claims in respect of the Goods.

**8.3** In the event that a written complaint with respect to the Goods has been submitted to Pentair, the Customer shall fully cooperate to the taking of samples or the conducting of any further investigation by or on behalf of Pentair.

**8.4** Defects in parts of the Goods do not entitle Customer to reject the entire delivery of the Goods. Complaints, if any, do not affect Customer's obligation to pay as defined in section 4. Upon receipt of a written complaint, Pentair is entitled to suspend all further deliveries until the complaints are established to be unfounded and/ or refuted or until the defect has been totally cured.

**8.5** Return shipments shall be accepted only if Pentair has given its prior written consent to the returning of goods. Pentair may attach conditions to any such consent.

#### **9. Liability and indemnity**

**9.1** Pentair's liability is restricted to the remedies as set forth in clause 7.1 of these Terms. Under no circumstances shall Pentair be liable, on any ground whatsoever, to Customer or any other person for any kind of damage or loss, cost or expense, whether caused by Pentair, by Pentair's directors or employees, or by subcontractors or other third parties engaged by Pentair. This limitation of liability is also applicable for Pentair's directors and employees and subcontractors and third parties engaged by Pentair.

**9.2** The Customer indemnifies Pentair for third party claims with respect to the Goods.

**9.3** This clause 9 prevails over any other provision of these Terms and any other provision agreed between Pentair and the Customer, unless Pentair and the Customer have explicitly deviated from this clause in accordance with clause 1.2 of these Terms.

#### **10. Force Majeure**

Pentair shall not be liable for any damage(s), loss, cost or expense arising out or in connection with any failure to fulfill any term of the Agreement caused by any circumstance or event beyond Pentair's reasonable control. In such event of force majeure, which shall be understood to include any situation or circumstance which is to be interpreted as such an event by general legal standards (but in any case include fire, natural disaster, war, acts of aggression and terrorism, blockade, export or import embargo's, non-availability of skilled labour caused by the fact that no work permits or equivalents were issued, delays in acquiring other permits, governmental regulations, law, ordinance, legislative measures, court orders, business interruptions, labour disputes - in particular strikes and lock out - epidemic, lack of or failure of earthquake, breakdown of plant or essential machinery, or delay in delivery or defects in goods supplied to Pentair by suppliers or subcontractors) Pentair is entitled to suspend its obligations of delivery for a period equal to the time loss by reason of Force Majeure. If a Force Majeure event continues for a period of six months after the agreed delivery date, Pentair is entitled to rescind the Agreement, without any liability or further obligation for Pentair whatsoever.

#### **11. Applicable law; jurisdiction**

These Terms, as well as every Agreement which is subject to the provisions thereof, shall be exclusively governed and must be construed interpreted and enforced according to Dutch law, excluding principles of conflict of laws. The applicability of the United Nations Convention on Contracts for International Sale of Goods is excluded as well. Any disputes which may arise from these Terms and/or the Agreements shall be submitted solely to the competent court in the judicial district of Amsterdam and the relevant court of appeal.

#### **12. Miscellaneous**

If a court of law finds that any of the provisions hereof is in conflict with any applicable statutory provision, the remaining provisions shall nonetheless remain in full force and effect. The invalid provision shall in that case be deemed to have been replaced by a similar, legally enforceable provision which approximates the purpose and intent of the invalid provision as closely as possible. The headings contained in these Conditions are included for mere convenience of reference shall affect their construction or interpretation.

#### **II. SPECIAL SECTION: INSTALLATION WORK**

Installation work shall be governed not only by the articles 1 through 12 of these General Provisions, but also by the articles 13 through 16 of this Special Section of these General Provisions. In event of any deviating or conflicting terms and conditions, the articles of this Special Section shall prevail over the articles 1 through 12 of the General Provisions, except for article 9 (Liability and indemnity) which shall always prevail unless Pentair and the Customer have explicitly deviated from this clause in accordance with clause 1.2 of these Terms.

#### **13. Performance of Work**

**13.1** If it has been agreed that Pentair is to carry out installation work for the Customer, Pentair shall perform the work in accordance with the agreed specifications. Pentair shall have the right, but shall not be obliged, to check the accuracy of the information reported and, in the event of any errors discovered, to postpone the work until the errors have been resolved to the satisfaction of Pentair.

**13.2** The Customer shall ensure that all facilities and tools required to carry out the work such to be interpreted in

the broadest sense of the word and at Pentair's discretion - are present. Pentair shall be entitled, if it sees reasons to so proceed, to order any requisite facilities for and at the expense of the Customer or to take any such other measures for and at the expense of the Customer as Pentair may deem appropriate. At Pentair's first request, the Customer shall make available at its own responsibility a qualified person to Pentair to coordinate the work on site or assist in such co-ordination.

**13.3** The Customer shall check the work performed periodically, as to be agreed further, but at least once a week, and approve the work in writing. If the Customer fails to check and/or approve the same, the work shall be deemed to have been checked, approved and completed. Pentair may postpone the work until the Customer has approved the work performed in writing; any delay or other damage resulting from the postponement shall be for the Customer's account.

**13.4** The Customer guarantees that all the costs incurred by Pentair in connection with the work, including any traveling and hotel expenses, will be duly reimbursed

#### **14 Extra Work and Cancelled Work**

The performance of additional work or the cancellation of work must be agreed in writing and shall be executed in exchange for an agreed price or on the basis of an agreed calculation method. If more or less work is carried out without any such written agreement, Pentair shall be entitled to determine the price for the work in question unilaterally, according to the principles of reasonableness and fairness.

#### **15 Acceptance and Completion**

**15.1** If an acceptance test has been agreed in writing, the installation shall be tested within three business days of it having been finished.

**15.2** The installation shall be considered to have been accepted as follows: (a) if no acceptance test has been agreed: upon delivery or, if installation to be executed by the Supplier has been agreed in writing, upon completion of the installation work; or (b) if the parties have agreed on an acceptance test in writing: on the first day following the test period; or (c) if the Customer has made any use of the system prior to the moment of acceptance: upon commencement of that use.

**15.3** The Customer may not withhold its acceptance on grounds other than those relating to the specifications expressly agreed between the parties, nor on the ground of minor errors, which are understood to mean errors which do not stand in the way of the system's use or productivity.

#### **16 Transfer of Obligations and Subcontracting**

Pentair may transfer its obligations under the agreement, or any part thereof, to third parties without requiring the prior written consent of the Customer.