

## Danfoss' General Terms and Conditions of Sale

These General Terms and Conditions of Sale ("Terms") apply to all deliveries of products and services (collectively: "Products") from Danfoss A/S or its Affiliates (each of which is referred to as "Danfoss") to any customer ("Customer"). In these Terms "Affiliate" shall mean an entity directly or indirectly controlled by Danfoss A/S whether by shares or voting rights. Sale of any Products is expressly conditioned upon Customer's acceptance of these Terms. These Terms apply to the agreement to the exclusion of any other terms, and no other terms shall be binding upon Danfoss and Customer unless otherwise expressly agreed in writing by Danfoss and Customer. Authorization by Customer to ship or provide Products, or Customers receipt thereof will constitute acceptance of these Terms.

### 1. Confirmation of Order / Acceptance of Quotation

A purchase order constitutes an offer by the Customer to purchase the Products in accordance with these Terms. Danfoss shall not be deemed to have accepted a purchase order until Customer has received written, including electronic text form, confirmation from Danfoss of the purchase order, at which point a binding agreement shall be formed ("agreement"). Customer's acceptance of a quotation or offer for Products given by Danfoss shall constitute an agreement and acceptance of these Terms.

### 2. Terms of Delivery

Unless otherwise agreed, the Products are delivered EXW from, at Danfoss' option, any of Danfoss' factories or places of business. Failing special instructions, Danfoss has the right to dispatch the Products to Customer at the risk and expense of Customer by a transport method chosen by Danfoss. EXW or other agreed delivery term shall be interpreted in accordance with the Incoterms valid at the time a binding agreement is made.

### 3. Delay

If a firm delivery date is agreed, and Danfoss does not deliver at the agreed time, Customer is entitled to request delivery in writing and fix a final, reasonable time limit for delivery. If delivery is not made within this time limit, Customer is entitled to rescind the agreement of sale and, subject to any disclaimers or limitations of liability in these Terms, claim compensation for its documented, direct loss. In no event can the compensation exceed an amount equivalent to the price of the delayed Products. Any claim for compensation must be made within one month from the agreed date of delivery. No further claims can be made by Customer as a result of the delay.

### 4. Prices

Prices for Products are exclusive of VAT, other taxes or duties. Danfoss reserves the right to adjust prices for non-delivered Products in the event of alterations in rates of exchange, variations in costs of materials, sub-suppliers' price increases, changes in custom duties, changes in wages, state requisitions or similar conditions over which Danfoss has no or limited control. Danfoss may charge Customer separately for surcharges and fees, such as but not limited to: small orders, freight and handling, express delivery, return and cancellation, provided Danfoss has informed Customer of such surcharges and fees, e.g. in Danfoss order confirmation, as part of price lists, or as otherwise made available to Customer.

### 5. Packing

Disposable packing is included in the Product prices and will not be credited if returned. Returnable packing is not included in the Product price.

### 6. Terms of Payment

Unless otherwise agreed due date is 30 days from the date of invoice. Any credit shall be subject to Danfoss being satisfied with the Customer's credit references, and Danfoss may (in its absolute discretion), refrain from delivering the Products until such time as Customer has complied with the payment requirements of Danfoss, such as payment in advance, and/or payment of any outstanding amounts which may be due to Danfoss. All payments shall be made by bank wire transfer or direct debit without deduction of any transfer or debit fees in immediately available funds to the bank account set out in the relevant invoice or other agreed method. From due date an interest rate of: i) 2 % per month or ii) the highest rate allowable under applicable law, whichever the lesser, will be payable.

### 7. Group Set-off

Danfoss and its Affiliates shall be entitled to set off any liability of Danfoss and/or its Affiliates to Customer against any liability of Customer to Danfoss and/or its Affiliates.

### 8. Product Information

Any information, including, but not limited to information on selection of Product, its application or use, Customer product design, weight, dimensions, capacity or any other technical data in catalogues descriptions, advertisements, etc. and whether made available in writing, orally, electronically, online or via download, shall be considered informative, and is only binding if and to the extent, explicit reference is made in a quotation or order confirmation. Specific demands from the Customer are only binding if and to the extent they have been confirmed by Danfoss in writing. Customer is solely responsible for its products and applications that incorporate or use Danfoss Products. Any Products made available as samples, prototype or similar type identification (whether charged for or not) may only be used for evaluation purposes, may not be resold or be made part of Customer's products for resale.

### 9. Proprietary Information and Confidentiality

Any non-public information, including but not limited to, prices, drawings, descriptions and any technical documents which Danfoss has made or may make available to Customer ("Confidential Information") shall remain the property of Danfoss and shall be treated as confidential by Customer and its representatives and must not, without the written consent of Danfoss, be copied, reproduced, or transferred to third parties or be used for other purposes than those intended when the Confidential Information was made available. Confidential Information shall be returned upon Danfoss' request.

### 10. Alterations

Danfoss reserves the right to make alterations to the Products, which do not materially affect agreed specifications or the Products' form, fit or function, without notice.

### 11. Cost-free Repairs or Replacements

Danfoss agrees to repair, replace, or credit at the discretion of Danfoss such Products that are found to be defective at the time of delivery due to faulty manufacture, design and/or defective materials, provided Customer makes a claim to Danfoss within 12 months from the date of sale, however never exceeding 18 months from the date stamped on the Product, or if no date is stamped, from the date of production ("Claim Period").

If defects occur within the Claim Period, Customer shall inform Danfoss in writing in accordance with Danfoss' instructions. If so requested by Danfoss, the Customer shall at its cost and risk forward the Product to Danfoss together with a written notice describing the reason for returning the Product. Products returned or made available for repair shall be free of extraneous equipment, unless otherwise instructed. If Danfoss' examination shows that the Product is not defective, Danfoss may return the Product to Customer at Customer's cost and risk, and Danfoss may charge a fee for the time and materials used in investigating the defect. If Danfoss ascertains that the Product is defective, Danfoss shall in its discretion send the repaired or a replacement Product to Customer, repair or replace the Product on location, or credit the original purchase price to Customer. Customer shall grant Danfoss access in case of repair or replacement on location. Danfoss may choose the method of dispatch and pays freight and insurance. Products or Product parts which have been replaced shall be the property of Danfoss.

Services or advice shall be performed with reasonable skill and care, and Danfoss makes no warranties as to the suitability thereof. Danfoss' liability for faulty services, consulting, advice, application guidance, and other services shall be limited to correction of the fault or re-performance of the service. Danfoss shall correct the fault, provided Customer makes a claim to Danfoss within the Claim Period. Danfoss shall not be liable for any services provided for free.

Danfoss may on a per product or per division basis offer a limited manufacturer's warranty in addition to Danfoss obligations under this clause 11. In that case, end-user may rely on such general manufacturer's warranty, unless otherwise agreed. TO THE EXTENT PERMITTED BY LAW NO CLAIM CAN BE MADE BY CUSTOMER IN RESPECT OF PRODUCTS AFTER THE EXPIRY OF THE APPLICABLE CLAIM PERIOD, WHETHER BASED IN CONTRACT, BREACH OF WARRANTY, TORT, STATUTE, OR OTHERWISE.

ALL WARRANTIES, CONDITIONS AND OTHER TERMS IMPLIED BY STATUTE OR OTHERWISE (INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) SHALL BE EXCLUDED FROM THE AGREEMENT, OTHER THAN THOSE THAT CANNOT BE EXCLUDED BY APPLICABLE LAW. IN ADDITION TO THE GENERALITY OF THE FOREGOING, UNLESS OTHERWISE EXPRESSLY SET FORTH HEREIN IN THESE TERMS, THE PRODUCTS ARE SUPPLIED "AS IS", "WHERE IS" AND "WITH ALL FAULTS". THE REMEDIES SPECIFIED UNDER THIS CLAUSE 11 ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF CLAUSE 11.

### 12. Product Liability

Danfoss 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 Danfoss be liable for any damage to products manufactured by Customer or to products of which Customer's products form a part.

If Danfoss incurs liability towards any third party for such damage as described in the preceding paragraph, Customer shall indemnify, defend and hold Danfoss harmless from and against such liability. Customer shall indemnify, defend and hold Danfoss harmless from and against 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 by Customer, the failure of Customer to adequately train personnel in the operation of the Products, 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 Danfoss 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 Danfoss on the basis of damage allegedly caused by the Product.

### 13. Limitation of Liability

Danfoss shall not be liable to Customer for any of the following types of loss or damage arising under or in relation to an agreement governed by these Terms: 1) any loss of profits, business, contracts, anticipated savings, goodwill, or revenue;

or 2) any loss or corruption of data; or 3) any indirect, special, punitive, exemplary or consequential loss or damage whatsoever; even if Danfoss was advised in advance of the possibility of such loss or damage, and whether arising out of breach of warranty, tort, statute, delay, faulty Products, product liability, recall or otherwise, and even if any express warranties fails its essential purpose.

Danfoss' total liability arising under or in relation to an agreement governed by these Terms shall not exceed the amount invoiced by Danfoss to Customer thereunder.

Customer acknowledges and agrees, that Danfoss has set its prices 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.

#### **14. Mandatory liability**

Nothing in these Terms (including but not limited to the exclusions and limitations in clauses 11 to 13) shall operate so as to exclude or limit the liability of either party to the other for death or personal injury arising out of its negligence, fraudulent misrepresentation or for any other liability which cannot be excluded or limited by law.

#### **15. Notice of Claims**

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 Danfoss without undue delay.

#### **16. Intellectual Property Rights and Use of Software**

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 Danfoss 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. Danfoss 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.

Danfoss, 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 Danfoss, 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 provided 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 Danfoss elects to defend such suit or proceeding, Danfoss 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, Danfoss 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 Danfoss to Customer for infringement of intellectual property rights.

#### **17. Restraint on Resale and Use for Certain Purposes**

Danfoss products are produced for civilian use. Customer shall not use or resell the Products for purposes which have any connection to chemical, biological or nuclear weapons or for missiles which are capable of delivering such weapons. Customer is not allowed to sell the Products to persons, companies or any other kind of organization if Customer has knowledge of or suspects that said persons or entities are related to any kind of terrorist or narcotics activities.

The Products may be subject to export control regulations, and may therefore, without limitation be subject to restrictions in case of sale to countries/customers covered by export and import ban. These restrictions shall be observed in case of resale of the Products.

Customer is not allowed to resell the Products if there is doubt or suspicion that the Products can be used for purposes in violation of the preceding paragraph. If Customer receives knowledge of or suspects that the conditions in this clause have been violated, Customer shall immediately inform Danfoss.

#### **18. Force Majeure**

Danfoss is entitled to cancel orders or suspend delivery of Products and shall not be liable for any non-delivery, faulty or delayed delivery, which partly or wholly is caused by circumstances beyond Danfoss' 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, slow downs, lack of transportation, scarcity of materials, and insufficient supplies of

energy. 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. Global Compact and Anti-Corruption**

Danfoss has joined the United Nations' Global Compact initiative which means that Danfoss has undertaken to live up to 10 principles on human rights, employees' rights, the environment and corruption. These principles and further information are set out at Global Compact: <http://www.unglobalcompact.org>. Therefore Danfoss encourages Customer to comply with these fundamental principles. Danfoss shall be entitled to cancel any delivery, purchase order or terminate an agreement without incurring any liability if Danfoss has reason to believe that Customer acts in a manner contrary to applicable laws and regulations regarding bribery and corruption.

#### **20. Data 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 Danfoss, its affiliates or authorized third party providers. Danfoss 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 Danfoss to contact persons of Customer. Where consent is required by law, the Customer hereby agrees to the personal data being used and transferred as described above, and acknowledges that personal data will be subject to the foreign law of the country where it is being held/server is located. Danfoss will use adequate contractual and technical mechanisms to protect personal data. Danfoss will keep personal data for the duration of the contractual relationship. 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 Danfoss contact – see [www.Danfoss.com](http://www.Danfoss.com).

#### **21. Partial Invalidity**

If one or more of the terms and conditions in these Terms or any part of a term is deemed invalid, unenforceable, illegal or inoperable, the validity, enforceability, legality or operability of all further terms and conditions shall not be affected or diminished thereby.

#### **22. Assignment**

Danfoss and Customer may at any time assign or transfer all or any of its rights under these Terms. Neither Party may assign or transfer any of its obligations under these Terms without the prior written consent of the other Party.

#### **23. Governing law and Disputes**

Any dispute between the parties arising from or in connection with an agreement governed by these Terms shall be governed by the law of the State of New York. Any dispute arising from or in connection with an agreement governed by these Terms and which the parties themselves are unable to resolve shall be referred to and finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce, ("Rules") by one or more arbitrators appointed in accordance with said Rules. Either Party shall be entitled to seek injunctive or interim relief or any other temporary measures. The Parties may refer the enforcement of any arbitral award to any competent court. The seat of arbitration shall be in New York. English shall be the language to be used in the arbitration proceedings unless otherwise agreed between the parties. The arbitration proceedings and the arbitral award shall be confidential and involved persons on both sides are pledged to secrecy.