

GENERAL SALES CONDITIONS

Hydro Building Systems

Revision 2.0, Effective May 1, 2020

1 General

1.1 Unless otherwise agreed in writing, these general sales conditions ("GSC") shall exclusively apply to the contractual relationship between Hydro (hereinafter referred to as "Supplier") and its customer (hereinafter referred to as "Purchaser"). Any conditions stipulated by the Purchaser which are contrary to these GSC shall not apply, even if the Supplier did not expressly exclude or reject their applicability. The Purchaser's acceptance of these GSC is a prerequisite to enter into a contract with the Supplier.

1.2 The contract shall be deemed to have been entered into upon receipt of the Supplier's written acknowledgement stating acceptance of the order, whereby electronic form shall be sufficient. Unless specified differently, the offer validity is two (2) weeks from the date of issue.

1.3 Legally relevant declarations must be in writing and duly signed in order to be valid.

1.4 Should any term or clause of these GSC in whole or in part be found to be unenforceable or void, all other provisions shall remain in full force and effect and the unenforceable or void provision shall be replaced by a valid provision, which comes closest to the original intention of the unenforceable or invalid provision.

1.5 – The Purchaser acknowledges that he has, or will get, all skills and capabilities necessary to fabricate and install the supplies.

2 Scope of supplies and services

2.1 The supplies and services are exhaustively specified in the Supplier's order confirmation and in appendices thereto.

2.2 A tolerance in the ordered quantity of plus/minus ten (10) percent shall be acceptable. An exact number of profiles will be delivered at an additional charge. The Supplier's standard tolerances for measurements and dimensions and quality standards apply. Weights stated in kg/m on drawings are indicative and non-binding unless explicitly guaranteed by the Supplier in writing.

2.3 Accessories, fittings and gaskets shall be delivered in commercial quantities, the size of which shall be specified in the current price lists of the Supplier.

2.4 The Purchaser shall be obliged to check the order confirmation and in case of discrepancies with the submitted order, to inform the Supplier within 24 hours as of the receipt of the confirmation – otherwise the order confirmation is deemed accepted.

2.5 The Supplier retains full ownership on all dies used for the project, irrespective of whether the dies have been paid partly or fully by the Purchaser.

2.6 Returnable packaging (such as, for example, stillages, baskets, spools or other containers, etc.) remain the property of the Supplier and need to be returned intact and within the agreed time-period. The Supplier reserves the right to charge a handling fee for delays in returning such packaging.

2.7 Specific tests, studies and certificates required by Purchaser have to be specially agreed upon and paid for by the Purchaser.

3 Plans and technical documents

3.1 Unless otherwise agreed, data and information in brochures and catalogues are for information purposes only and not binding. Data included in technical documents are only binding if they have been expressly stipulated as binding by the Supplier.

3.2 Without prejudice to the provision of Clause 14, each party retains all rights to plans and technical documents provided to the other. The party receiving such documents recognizes these rights and shall, without previous written consent of the other party, keep any non-public information confidential and not disclose, make these documents available to any third party, either in whole or in part, nor use them for purposes other than those for which they were provided. Results or developments by the Supplier, deriving from the Purchaser documentation shall become ownership of the Supplier. The Supplier shall remain entitled to disclose the supply for reference purposes to the extent non-confidential information are disclosed.

4 Regulations in force in the country of destination

4.1 The supplies and services shall comply with the regulations and standards at the Supplier's place of business. In the event the supplies and services are executed in a country different from the Supplier's place of business, the Purchaser shall be responsible, at the latest when placing the order, to inform the Supplier of any mandatory laws and regulations applicable to the supplies and services. The Supplier shall not be responsible for any default resulting from the lack of such information. The Supplier shall be entitled to adjust prices if deemed necessary.

5 Prices

5.1 Unless otherwise agreed, all prices shall be deemed to be net ex works (Incoterms 2020), including standard packing (not suitable for storage), without any deductions whatsoever.

Additional charges, such as, but not limited to, freight charges, taxes, insurance premiums, fees for export, transit, import and other permits, as well as for tests, studies and certifications ("Costs"), shall be borne by the Purchaser. If such Costs are charged to the Supplier or to persons employed or appointed by the Supplier to perform any of his obligations, they shall be refunded by the Purchaser upon presentation of the receipts.

5.2 The Supplier reserves the right to adjust the prices in case the wage rates or the raw material prices vary between submittal of the offer and order confirmation.

In addition, the Supplier may appropriately adjust the price in case:

- the delivery time has been subsequently extended due to any reason stated in Clause 8.3, or
- the nature or the scope of the agreed supplies or services has changed, or
- of currency exchange rate deterioration impacting the Suppliers sourcing costs, or
- the material or workmanship required changes due to any documents furnished by the Purchaser were not in conformity with the actual circumstances, or were incomplete, or
- an amendment has been made to applicable laws (including tax regulations), regulations or the principles of interpretation or application (changes in law).

6 Terms of payment

6.1 Unless otherwise agreed, payments shall be due and payable without any deduction or reminders thirty (30) days after the date of invoice. Payment dates shall also be observed if transport, delivery, installation, or other performance, where applicable, is delayed or prevented due to reasons beyond Supplier's control, or if unimportant parts are missing.

6.2 The Supplier reserves the right to request appropriate payment security. Costs for such security shall be borne by the Purchaser.

6.3 If, where applicable, advance payment or securities are not provided, the Supplier shall be entitled to terminate the contract and claim damages.

If the Purchaser, for any reason whatsoever, is in delay with a payment, or if the Supplier is seriously concerned that he will not receive payments in total or in due time, the Supplier, without being limited in its rights provided for by law, shall be entitled to suspend further performance of the contract and to retain the supplies ready for dispatch until due payment is made or the Supplier has received satisfactory securities. If such payments are not done within a reasonable short time, or if the Supplier does not receive adequate securities, the Supplier shall be entitled to terminate the contract and to claim damages.

6.4 If the Purchaser fails to pay within the agreed time, he shall be liable, without reminder, for interest with effect from the payment due date at a rate indicated on the Supplier's invoice which shall be at the minimum the statutory interest rate. The Supplier's right to claim further damages is reserved.

6.5 Invoicing costs shall be borne by the Purchaser.

7 Reservation of title

7.1 The Supplier shall remain the owner of all supplies ("retained products") until he has received full payments in accordance with the contract.

7.2 The Purchaser shall be entitled to resell, process, mix or combine and subsequently sell the retained products in the ordinary course of business. Any pledging or assignment of retained products as collateral security is not permitted. Any processing or alteration of the retained products shall be effected in the name and on behalf of the Supplier. If retained products are combined or mixed with other products not belonging to the Supplier, the Supplier shall acquire co-ownership in the new products according to the ratio between the invoice value of the retained goods and the value of the new products. New items generated from the processing shall be deemed to be retained goods within the meaning of this provision. The Purchaser shall be obliged to inform any third parties in whose possession the Supplier's goods are transferred of the retention of title specified above. Such notification does however not release the Purchaser from its liabilities.

7.3 The Purchaser shall assign to the Supplier in advance, as collateral security, all of its claims in connection with the resale, as well as any claims against its insurer, in the amount of the Supplier's co-ownership ratio. Despite the assignment, the Purchaser shall be authorized and obliged to collect claims arising from the resale as long as the Supplier has not revoked this authorisation. The Purchaser shall pay any amounts collected promptly to the Supplier, up to the amount due.

8 Delivery time

8.1 The delivery time shall start as soon as the contract is effective, all official formalities such as, but not limited to, import, export, transit and payment permits have been completed, payments due with the order have been made, any agreed securities given and the main technical points settled. The

delivery time shall be deemed to be observed if by that time the Supplier has sent a notice to the Purchaser informing him that the supplies are ready for dispatch.

8.2 Compliance with the delivery time is conditional upon the Purchaser's fulfilment of its contractual obligations, in particular the Purchaser's obligation for payment, approval of drawings etc.

8.3 The delivery time shall be reasonably extended:

a) if the information required by the Supplier for the performance of the contract is not received in time, or if the Purchaser subsequently changes the content of the information, thereby causing a delay in the delivery of the supplies or services;

b) if Supplier is hindered in its performance due to an event of Force Majeure. Force Majeure may include but shall not be limited to, epidemics, pandemics declared by the WHO, mobilisation, war, civil war, acts of terrorism, riots, political unrest, revolutions, sabotage, serious breakdown in the works, accidents, labour conflicts, late or deficient delivery by subcontractors of raw materials, semi-finished or finished products, the need to scrap important work pieces, actions or omissions by any authorities or state or supranational bodies, sanctions, trade restrictions and embargoes, unforeseeable transport problems, fire, explosion, natural catastrophes, cyber-crimes and major disruptions of IT-systems or any event beyond the reasonable control of the Supplier, whether or not foreseeable. The Supplier shall further be excused from its performance if such event has manifested but hindrance is due to a deterioration of the caused by the event. If the Force Majeure continues consecutively for more than 6 months, either Party may terminate the transaction forthwith. Obligations related to payment of money by the Purchaser shall not be excused by the occurrence of Force Majeure. In the event of sanctions, export restrictions and/or changes in law or regulation, which prohibit the Supplier, or any party which the Supplier relies on, to perform obligations under the Contract or to process or receive payments, either Party may terminate the transaction with immediate effect.

8.4 The Purchaser shall be entitled to claim liquidated damages for delayed delivery insofar as it can be proven by the Purchaser that the delay has been caused through the sole fault of the Supplier and that the Purchaser has suffered a loss as a result of such delay.

Liquidated damages for delayed delivery shall not exceed 0.2 per cent for each completed week of delay, limited at an aggregated maximum of 5 per cent of the contract price of the part of the supplies in delay. No damages shall be due for the first two weeks of delay.

After reaching the maximum liquidated damages for delayed delivery, the Purchaser shall grant the supplier a reasonable extension of time in writing. If such an extension is not observed for reasons within the Supplier's control, the Purchaser shall have the right to reject the delayed part of the supplies or services. If a partial acceptance is economically not justified on the part of the Purchaser, the latter shall be entitled to terminate the contract and to claim refund of the money already paid against return of the deliveries supplied.

8.5 In case a specific date is fixed instead of a delivery period, this date shall correspond to the last day of a delivery period; Clauses 8.1 to 8.4 apply by analogy.

8.6 Any delay of the supplies or services does not entitle the Purchaser to any rights and claims other than those expressly stated in this Clause 8. This limitation does, however, not apply to the Supplier's wilful misconduct or gross negligence.

9 Passing of benefit and risk

9.1 The benefit and the risk of the supplies shall pass to the Purchaser by the date of their leaving the works (ex works, Incoterms 2020) at the latest.

9.2 If dispatch is delayed at the request of the Purchaser or due to reasons beyond Supplier's control, the risk of the supplies shall pass to the Purchaser at the time originally foreseen for their leaving the works. From this moment on, the supplies shall be stored and insured on the account and at the risk of the Purchaser.

10 Inspection and notification of defects

10.1 The Purchaser is obliged to inspect the supplies immediately, in any case not later than:

- i. at the time of delivery - visible external damage to the packaging - the Purchaser is obliged to write adequate comment to the transport documents (e.g. CMR)
- ii. 24 hours - quantitative receipt of delivery - notification of inconsistency between the number of packages of goods and the delivery documents or the order placed
- iii. 7 days - quantity shortages in packages, visible defects or mechanical damage

In each case of a complaint, the basis for its consideration by the Supplier is the Purchaser preparing and sending to the Supplier, by e-mail, a complaint protocol incl. photos evidencing the non-conformity.

The Purchaser shall lose the right to invoke the non-conformity of the supplies, if it fails to provide the Supplier with information on the nature of the non-conformity within the time limits specified in clauses 10.1.i to 10.1.iii. The Purchaser shall lose the right to invoke the non-conformity of the supplies whenever it fails to notify the Supplier thereof within the warranty period in accordance with Section 11.1.

The commencement of the manufacturing process of the supplies shall in any case be regarded as acceptance of their quality and quantity and shall constitute the basis for rejecting the complaint by the Supplier (except for hidden defects).

10.2 The Supplier shall accept or reject the non-conformity by written response within 7 business days from the date of the complaint. This time may be extended if studies and expert opinions are required.

10.3 The Supplier's liability for defects is exhaustively specified in clauses 11.1 to 11.5

11 Liability for defects

11.1 Warranty period

The warranty period is 24 months starting from the supplies leaving the works. If delivery is delayed for reasons beyond the Supplier's control, the warranty period shall end not later than 30 months after the Supplier's notification that the supplies are ready for dispatch. Within the warranty period, the Supplier warrants:

- i. that the composition of the alloy is in accordance with EN 573-3; mechanical properties and tolerances are as further specified in the Supplier's technical documentation and in accordance with EN 755-2, EN 12020-2.
- ii. functional properties of hardware, accessories, gaskets and synthetic profiles comply with the specifications as set out in the Supplier's technical documentation;
- iii. the absence of the following deficiencies to the anodising and coating:
 - Detachment, flaking off and blister formation.

- Changing colour and losing its gloss outside normal ageing standards according Qualicoat and Qualanod regulations.

iv. the absence of the following deficiencies to the insulation strips:

- Detachment between the polyamide strips and aluminium half scales.
- Loss of the thermal properties of the insulators.
- Loss of the mechanical properties of the insulators.

For moving parts and the parts subject to wear and other supplies not mentioned above, the warranty period shall be 24 months starting from the supplies leaving the works or for any services 24 months upon Supplier's notification of their completion.

Repair and replacement under the warranty period does not extend the warranty period. The remaining initial warranty period continues to apply. The warranty expires prematurely if the Purchaser or a third party undertakes modifications or repairs or if the Purchaser, in case of a defect, does not immediately take all appropriate steps to mitigate the damage and give the Supplier the possibility to remedy the defect.

11.2 Liability for defects in material, design and workmanship

Upon the written request of the Purchaser, the Supplier may choose at its sole discretion to repair or replace any parts of the supplies which, before the expiry of the warranty period, are proven to be defective due to bad material, shortcomings, faulty design (to extent such design was provided by the Supplier) or poor workmanship. Replaced parts shall become the Supplier's property if he does not explicitly renounce this. The Supplier shall in no event be responsible for accessing, dismantling and reinstallation costs of the defective supplies.

11.3 Exclusions from the liability for defects

All deficiencies which cannot be proven to have their origin in bad material, faulty design (to the extent such design was provided by the Supplier) or poor workmanship, e.g. those resulting from normal wear, improper maintenance, failure to observe the operating instructions, excessive loading, use of any unsuitable material, influence of chemical or electrolytic action, building or installation work not undertaken by the Supplier, or resulting from other reasons beyond Supplier's control are excluded from the Supplier's warranty and liability for defects.

Moreover, the Supplier shall not be liable for any damage resulting from unloading of the supplies and their improper storage at the Purchaser's warehouse or any other activities attributable to the Purchaser. The manner of handling the profiles is specified in the Supplier's "Profile Maintenance and Storage" manual.

In addition, the Supplier's warranty shall only apply if the Purchaser can demonstrate that:

- the assembly was performed in accordance with the latest available version of the Supplier's technical documentation;
- the assembly was performed in accordance with good manufacturing processes and the applicable standards of good craftsmanship;
- the Purchaser complied with the protection requirements:
 - i. de-burring and degreasing after sawing;
 - ii. systematic protection during transport and installation; and
 - iii. systematic protection after installation;
- the aluminium constructions were regularly maintained and cleaned by means of non-corrosive cleaning and maintenance products, in accordance with the Supplier's maintenance requirements

- The requirements concerning the use of coated aluminium constructions in maritime climates, industrial environments or corrosive air atmospheres (swimming pools, laboratories, etc.) were complied with; and

- All components, profiles, accessories, hardware, surface treatment (coating, anodising) relating to the defect under the warranty, were supplied by the Supplier.

11.4 Exclusivity of warranty claims

With respect to any defective material, design or workmanship as well as to any failure to fulfil express warranties, the Purchaser rights and claims limited to those expressly stipulated in Clauses 11.1 to 11.5. **The Supplier's warranty for fitness for purpose, merchantability and guarantees implied by law is explicitly excluded.**

11.5 Liability for additional obligations

The Supplier is only liable for unlawful intent or gross negligence for claims arising out of inadequate advice and the like or out of breach of any additional obligations. The Purchaser remains solely responsible for ensuring that the supplies and services are suitable for the type of application and the specific conditions of use for which the supplies are intended. Technical consultancy of the Supplier is non-binding and should be verified, inspected and tested by the Purchaser prior to commencement of prefabrication. The Purchaser is responsible for compliance with legal provisions in force in connection with the use and application of the supplies and services. Moreover, the Supplier shall not be liable for incorrect interpretation of information provided in printed and electronic materials.

12 Non-performance, bad performance and their consequences

12.1 In all cases of improper performance or non-performance not expressly covered by these GSC, in particular if the Supplier, without valid reasons, starts the execution of the supplies and services so late that punctual completion is unlikely to be foreseen, or if execution contrary to the terms of the contract can be clearly foreseen due to Supplier's fault, or if the supplies and services have been executed contrary to the terms of the contract due to Supplier's fault, then the Purchaser shall grant a reasonable additional period for the supplies or services affected thereby by simultaneously warning to terminate the contract in case of non-compliance. If such additional period lapses due to Supplier's fault, the Purchaser shall be entitled to terminate the contract with respect to the supplies or services executed (or certain to be executed) contrary to the terms of the contract, and to claim a refund of the payments already made for such supplies or services.

12.2 In such case, Clause 15 shall apply with regard to any claims for damages on the part of the Purchaser and with regard to the exclusion of any further liability, and any claim for damages shall be limited to 10 per cent of the contract price for the supplies and services affected by the termination.

13 Export control

The Purchaser recognizes that the supplies may be subject to local and/or foreign legal provisions and regulations on export control and are not allowed to be sold, leased or otherwise transferred or used for a purpose other than the agreed without an export or re-export permit of the competent authority. The Purchaser undertakes to comply with such provisions and regulations. The Purchaser is aware that these may change and that they apply to the contract in the current valid wording.

14 Intellectual property rights

14.1 All intellectual property rights held by the Supplier and its affiliates relating to the products, supplies and services supplied by the Supplier shall remain the absolute property of the

Supplier. The Supplier's designs and drawings shall not be reproduced or disclosed without Supplier's prior written consent. The Purchaser will not himself or allow others to, modify, reproduce or copy any drawings, product or part thereof supplied by the Supplier without the Supplier's prior written consent.

14.2 The Supplier retains all intellectual property rights in studies and projects resulting in the use of specific products (tailor made and pre-engineered/fabricated designs) which may not be provided to third parties or performed without the Supplier's prior written consent.

15 Limitation of Liability

All cases of breach of or non-performance under the contract and the relevant consequences as well as all rights and claims on the part of the Purchaser, irrespective if such claim is based on contract, tort or otherwise, are exhaustively covered by these GSC. **Any claims of the Purchaser in relation to or in connection with the contract its performance or the breach thereof are limited to the total contract price paid by the Purchaser to the Supplier. In no event shall the Supplier be liable for loss of production, downtime, loss of use, loss of orders, recall costs, loss of profit, loss of business or business opportunity, punitive damages or penalties and indirect or consequential damages.**

The above limitations of liabilities do not apply in case of unlawful intent, gross negligence, wilful misconduct or as far as it is contrary to applicable mandatory law.

16 Jurisdiction and applicable law

16.1 The parties shall use their best efforts to settle any disputes that may arise out of or in connection with a contract amicably. If the parties fail to reach an amicable settlement of the dispute within thirty (30) days calculated from the date of one party's request to start amicable negotiations, either party may submit such dispute to the competent courts at a venue of the Supplier's registered seat, which shall have exclusive jurisdiction.

16.2 These GSC, as well as any contracts concluded hereunder, **shall be governed by and construed in accordance with the substantive laws of Sweden under the exclusion of any conflict of law provisions.** The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

17. Privacy Statement

According to the provisions of the General Data Protection Regulation 2016/679, the customer is informed that the personal data provided will be incorporated into a file owned by Hydro Building Systems Sweden AB whose purpose is the initiation and execution of any PO or contract. You can exercise the rights included in the aforementioned Regulation at any time, accrediting identification, at the following address: Hydro Building Systems Sweden AB, Metallvägen 5, S-574 81 Vetlanda or by email to: sapa.se@hydro.com. If you want to obtain more information about us and about our Privacy Policy, please access the following link: <https://www.sapabuildingsystem.com/sv/se/bygg/om-oss/privacy-policy/>