



SALE AND DELIVERY TERMS AND CONDITIONS

1. Application

These sale and delivery terms and conditions apply to all offers, orders and deliveries to the extent that they are not dispensed with by any other written agreement between the parties.

2. Offers

Unless otherwise stated, offers made by LSM Pumps USA, Inc. are valid for 60 days from the offer date. Please refer to the order confirmation in section 3. If an order is placed after the stated deadline, LSM Pumps USA, Inc. has the right to change the offer. Stated prices exclude VAT and any other taxes, assembly and packaging costs, unless otherwise stated in the offer. LSM Pumps USA, Inc. retains ownership of drawings and proposals, and these may not be copied or made available to third parties without the permission of LSM Pumps USA, Inc. Dealers or distributors are not authorised to make any alterations or additions to our offers. LSM Pumps USA, Inc. accepts no responsibility for any such alterations made unless authorised in writing by LSM Pumps USA, Inc.

3. Orders

Every order must be confirmed in writing by LSM Pumps USA, Inc. in order for a binding agreement on delivery to be considered to have been entered into. The order shall be delivered at the confirmed price subject to price increases due to changes in trading conditions, public levies, exchange rates, raw material supplies and similar, which are beyond the control of LSM Pumps USA, Inc.. Cancellation of orders is only accepted by agreement and against payment of LSM Pumps USA, Inc.' losses. Imagery, dimensional drawings and other contents of brochures, catalogues, circulars, etc. are approximate and not binding. LSM Pumps USA, Inc. reserves the right to make any changes deemed technically necessary when executing the order. The order will be manufactured and delivered in accordance with Danish standards and regulations, unless otherwise agreed and explicitly stated in the order confirmation. All data relating to the sale of products is stored for 10 years, in order to identify spare parts for repair and ongoing service. Dealers or distributors are not authorised to make any alterations or additions to an order confirmation or contract. LSM Pumps USA, Inc. accepts no responsibility for any such alterations made unless authorised in writing by LSM Pumps USA, Inc.

4. Delivery terms and conditions

Unless otherwise agreed in writing, deliveries are sold ex works (EXW) and Incoterms 2000 apply. The delivery time is calculated from the date of LSM Pumps USA, Inc.' written order confirmation, provided that all technical details and formalities for the execution of the order are in place at that time. If confirmed prepayment, irrevocable letter of credit or other payment security has been agreed, this must also be in place. Otherwise, the delivery time will be calculated from the time when all the conditions have been met. If the Purchaser fails to receive ready-to-deliver deliveries on the agreed day, he shall nevertheless be obligated to make any payment conditional on delivery as if delivery had taken place. Furthermore, LSM Pumps USA, Inc. can cancel the agreement and claim damages from the Purchaser for damages caused to LSM Pumps USA, Inc. by the Purchaser's negligence. If a delay in delivery is due to war, strike, lockout, other force majeure or political circumstances, or lack of subcontractors, raw materials or supplies over which LSM Pumps USA, Inc. has no control, or the Purchaser's action or failure to act, the delivery period shall be extended accordingly. LSM Pumps USA, Inc. assumes no liability

to the Purchaser in these situations. If the Purchaser does not comply with the agreed provisions on payment of the purchase price, LSM Pumps USA, Inc. is not obligated to deliver. Compensation is not provided for delivery delays and the Purchaser is not entitled to cancel the purchase for this reason. On shipment, the products are packed at LSM Pumps USA, Inc.' discretion, and the associated costs are paid for by the Purchaser, if packaging is not expressly included in the price. Shipments are always made at the Purchaser's responsibility and risk and this also applies to carriage paid delivery, and the recipient is responsible for taking out the necessary transport insurance, unless otherwise expressly agreed.

5. Payment

Unless otherwise agreed, payment shall be secured by bank guarantee or irrevocable letter of credit, in accordance LSM Pumps USA, Inc.' choice. Payment terms are net 30 days from product delivery. The Purchaser is not entitled to withhold payment on account of any counterclaims which LSM Pumps USA, Inc.' has not accepted. Should payment be made later than the agreed payment date, interest will be charged at the current rate of 2% per month commenced, to be added to the amount due at the beginning of each month. Where an agreement of advance payment exists, the timely payment of such advance payment shall be a precondition for the commencement and completion of the work within the agreed delivery period.

6. Ownership

LSM Pumps USA, Inc.' reserves right of ownership as long as the delivered goods have not been paid for or if the commercial agreement is not fulfilled. The Purchaser is obligated to insure the order for a total replacement value from the day of delivery until full payment has been made.

7. Liability for defects

For all deliveries, LSM Pumps USA, Inc. provides a right of remedy for a period of twelve consecutive months, calculated from the delivery date, subject to normal use. The Purchaser is obligated to respect and acknowledge LSM Pumps USA, Inc. right of remedy. Right of remedy covers the repairing of defects due to design, manufacture or materials. The right of remedy does not cover cases where defects are due to the delivery not having been maintained or used in full accordance with the given instructions, or where repairs have been carried out by workshops other than those approved by LSM Pumps USA, Inc., incorrect or inappropriate use, modifications or technical interventions carried out without the prior written consent of LSM Pumps USA, Inc., extraordinary effects, or where non-original spare parts or accessories have been used. The same applies to damage to products supplied by the Purchaser or by a construction required by the Purchaser. The right of remedy does not apply to wearing parts or consumable parts. If the Purchaser wishes to complain about any defects, the complaint must be made in writing without undue delay after the defect has been ascertained or should have been ascertained. Defective parts that have been replaced must be made available to LSM Pumps USA, Inc.. Unless otherwise agreed, disassembly, transport and assembly of defective, repaired or replaced material shall be made at the Purchaser's expense and risk, and any consequential damage in connection with the replacement of the product shall also not be covered. In the event of a change in ownership, the right of remedy is void. Parts of the delivery not manufactured by LSM Pumps USA, Inc. shall only be compensated to the extent that LSM Pumps USA, Inc. obtains compensation from the subcontractor.

8. Liability for damage caused by the delivery (product liability)

LSM Pumps USA, Inc. is liable for personal injury caused by a product produced by LSM Pumps USA, Inc. if the injury is proven to be due to fault or negligence on the part of LSM Pumps USA, Inc. or another person for whom LSM Pumps USA, Inc. is responsible, unless the product was optimal when it was produced. However, LSM Pumps USA, Inc. is not liable for damage to immovable property or to movable property that occurs while deliveries are in the possession of the Purchaser, as well as damage to products

manufactured by the Purchaser or to products in which these are incorporated. The same applies to damage caused by an event mentioned in section 4. LSM Pumps USA, Inc. is not liable for loss of business, loss of time, loss of profit, loss of work or other indirect losses. Product liability does not apply after 6 months from the date the damage occurred or for damage caused more than 5 years after the date of delivery. To the extent that LSM Pumps USA, Inc. may be held liable to third parties, the Purchaser shall indemnify LSM Pumps USA, Inc. to the same extent as LSM Pumps USA, Inc.' liability is limited under the preceding paragraphs.

9. **Special conditions**

Where the above provisions are not fully informative, LSM Pumps USA, Inc. refers to the "Almindelige Leveringsbetingelser NL92" (General Conditions for the supply of machinery and other mechanical, electrical and electronic equipment) - hereinafter called "NL92". In the event of any discrepancy between NL92 and these sale and delivery terms and conditions, these sale and delivery terms and conditions shall take precedence. Customer information may be shared with group companies and relevant business partners.

10. **Arbitration clause**

All disputes between the parties arising in connection with this agreement shall be finally settled by arbitration at the court at LSM Pumps USA, Inc.' place of domicile in accordance with the rules set by the court of arbitration and Danish law.