



GENERAL CONDITIONS OF SALES AND DELIVERY of products from Ozone Tech Systems OTS AB

1. APPLICABILITY

- 1.1 These General Conditions shall be applicable to all contracts of sale made by Ozone Tech Systems OTS AB ("the Seller") under any agreement (the "Agreement") and shall - to the extent otherwise is not stated in the Agreement - exclusively govern all such contracts of sale.
- 1.2 All defined terms used in these General Conditions shall, if not other-wise is explicitly stated, have the meaning ascribed to them in the Agreement.

2. PRICES

- 2.1 All prices stated are the net prices and are exclusive of value added tax and any other imposition whatsoever, which if applicable shall be paid by the Buyer in addition.
- 2.2 The prices reflect the Seller's costs pertaining at the time of the offer. The Seller may without prior notice adjust the prices to take account of any change in specification made at the Buyer's request.

3. PAYMENT

- 3.1 Payments shall be made in accordance with the parties Agreement.
- 3.2 To the extent that the Agreement does not stipulate otherwise, prices are due and payable to, and at such address or bank account as may be designated by the Seller, without set off or counterclaim, in the currency stated in the invoice and in immediately available funds within thirty (30) days from the date of invoice. Payment by cheque or other negotiable instrument is ineffective until it is honoured and the Seller's bank account is credited with the amount due. Unless otherwise expressly stated in writing, payments in respect of export order shall be made against documents, by cash or confirmed irrevocable letter of credit drawn on a well reputed clearing bank approved by the Seller.
- 3.3 On failing to make full and prompt payment, the Buyer shall (without prejudice to any other rights of the Seller) pay interest on the amount due to the Seller at a rate which shall exceed the official prime rate in Sweden by nine (9) per cent per annum.
- 3.4 Any carriage, packing and other charges stated separately from the price are payable by the Buyer at the same time as the price, and shall be treated, as part of the price.

4. DELIVERY

- 4.1 If not otherwise provided for any agreed trade term shall be construed in accordance with INCOTERMS in force at the time of the Seller's acceptance of the order. If no trade term is specifically agreed the Products will be delivered Ex Works, the Seller's premises at Malmö, Sweden.
- 4.2 The Seller shall make every reasonable effort to deliver the Products within the specified time. If the Seller finds that it will be unable to deliver in the time agreed or if delay on its part seems likely, the Seller shall notify the Buyer thereof in writing, stating the reason for the delay and, if possible, the time when delivery can be expected.
- 4.3 If delay in delivery is caused by any of the circumstances mentioned in Clause 9 below or by an act or omission on the part of the Buyer, the time for delivery shall be extended accordingly. This shall apply regardless of whether the reason for the delay occurs before or after the agreed time for delivery.
- 4.4 If delivery is not made within eight (8) weeks after the agreed time and the delay is not due to circumstances mentioned above, the Buyer is entitled to liquidated damages from the date on which delivery should have taken place.
- 4.5 The liquidated damages shall be payable for each complete week of delay after the eight (8) week period, at a rate of point twenty-five (0.25) per cent of that part of the purchase price which is properly attributable to the Products delayed. The liquidated damages shall in no event exceed five (5) per cent of such part of the purchase price. The Buyer shall forfeit his right to liquidated damages if he has not lodged a claim for such damages within two months after the time when delivery should have taken place.
- 4.6 Liquidated damages under this Clause 4 is the exclusive remedy available to the Buyer in case of delay on the part of the Seller and the Seller shall not be

liable for any other loss or damage whatsoever caused directly or indirectly by any delay in delivery of the Products (including, but not limited to, loss of production, loss of profit or other consequential damage or indirect loss).

- 4.7 The Buyer shall on demand pay the Seller for, and/or indemnify the Seller against all liabilities in relation to any storage, handling, insurance or other service provided or used by the Seller because of inadequate delivery instruction or because the Buyer or its carrier fails to accept delivery of the Products and the Seller shall have a lien over the Products in respect thereof.

5. TITLE TO THE PRODUCTS

- 5.1 Products delivered shall to the extent permitted by applicable law remain the property of the Seller until receipt by the Seller of payment in full (including all moneys owed plus any default interest thereon); this reservation of title applies equally in the case of installation of the Products in other products. If the title of the Seller extinguishes upon installation the Buyer's arising co-owners' interest will pass over to the Seller. The Buyer assigns his claims arising from a resale of the Products to the Seller as security for the Seller's claims. The Buyer shall give the Seller all necessary assistance in taking any measures required to protect the Seller's title to the Products.
- 5.2 Pending the passing of title to the Products, the Buyer shall be bailee of the Products and shall not be entitled to pledge the Products or otherwise dispose of, charge or encumber the Products or any interest therein.
- 5.3 Notwithstanding that the title to the Products shall remain with the Seller according to the provisions above, the risk of the Products shall pass to the Buyer at the latest at the moment of delivery.

6. SPECIFICATIONS, DESCRIPTIONS, DRAWINGS AND INTELLECTUAL PROPERTY

- 6.1 The weights, dimensions, capacities, prices, performance ratings and other data included in catalogues, prospectuses, circulars, advertisements, illustrated matter and price lists as expressed in the Seller's general product information constitute an approximate guide. These data shall not be binding save to the extent that they are by reference expressly included in the Agreement.
- 6.2 All drawings, models, computer programs and similar items prepared or furnished by the Seller and the copyright therein shall remain the property of the Seller and shall be returned by the Buyer on demand. All know-how, samples, models, designs and drawings relating to the Products or their development shall remain the Seller's property, shall be treated as confidential and shall not be copied, reproduced or disclosed to any third party without the Seller's prior written consent.
- 6.3 Unless otherwise expressly stated in the Agreement, no right or licence is granted to the Buyer under any patent, copyright, registered design or other intellectual property right except the right to use or resell the Products.
- 6.4 The Seller takes no responsibility for damages or losses incurred by the Buyer due to the Products or the Seller's trademarks infringing any third party's industrial property rights. The Buyer shall however notify the Seller of any allegation of any infringement of any intellectual property rights. The Seller may at its own expense and discretion conduct any negotiations or proceedings arising from any such allegation; and the Buyer shall assist therein.
- 6.5 The Buyer shall not without the Seller's prior written consent allow any trade marks of the Seller or other words or marks applied to the Products to be obliterated, obscured or omitted or add any additional marks or words.

7. WARRANTY

- 7.1 Subject to what is stated in paragraph two and three below, the Seller warrants that the Products upon delivery will be free from defects in design, materials and workmanship. Unless otherwise expressly stated in any written guarantee terms submitted to the Buyer by the Seller and which are in effect at the time of delivery of the Products in question, the Seller's obligations under the above warranty will expire no later than twelve (12) months after delivery of the Products to the Buyer and is subject to the Seller being notified in writing by the Buyer within thirty (30) days after a nonconformity with the warranty is discovered. In no event shall the Seller's obligations under the warranty apply to any Product, which has been subject

to installation error, unauthorised use, negligence, accident, alteration, misuse or normal wear and tear.

- 7.2 This Guarantee is subject to that, when required by the Seller, the product has been installed by personnel appointed by the Seller in accordance with the parties Agreement.
- 7.3 No part of the Products shall be considered defective due to failure to correspond with information regarding the Products' quality or use given by someone else than the Seller - for example in a previous sales line - in connection with marketing of the Products or otherwise before Purchaser; irrespective of whether or not such information has influenced the purchase.
- 7.4 THE WARRANTY SET FORTH ABOVE IS THE ONLY WARRANTY BY THE SELLER WITH RESPECT TO THE PRODUCTS AND NO OTHER REPRESENTATIONS, WARRANTIES OR GUARANTEES OF ANY KIND, WHETHER BY LAW OR CUSTOM, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE, CONDITION OR DESIGN, OR CONFORMANCE WITH SAMPLE OR PRE-CONTRACT REPRESENTATIONS SHALL APPLY.
- 7.5 The Seller's liability to the Buyer for any claim relating to defects in the Products shall be limited, at the Seller's option, to replacement of defective Products or a pro rata reduction of the price relating to such defective Products and this shall be the Buyer's sole remedy with respect to defects. Any Products replaced by the Seller shall be the sole property of the Seller. Replacement of a Product shall not extend the original warranty given by the Seller.
- 7.6 If the Buyer has given notice of non-conformity with the warranty and no defect is found for which the Seller can be held liable, the Seller shall be entitled to compensation for the costs and expenses the Seller has incurred by reason of such notice.
- 7.7 The Seller shall under no circumstances whatsoever be liable for loss of production, loss of profit or any other consequential damage or indirect loss, such as loss due to the fact that products or other property cannot be used as planned.
- 7.8 Except as otherwise expressly provided in this Agreement, the Buyer assumes complete and exclusive responsibility for any and all of its activities concerning the Products and shall indemnify and hold the Seller harmless from and against any claims, damages, losses, costs, liabilities and expenses (including without limitation, legal fees) which may be brought against the Seller by any third parties or which the Seller may incur as a result of or arising, directly or indirectly, out of any such activities. The Seller will not be responsible for any damages, losses, costs, liabilities or expenses incurred by the Buyer in connection with this Agreement or relating in any way to the Buyer's activities concerning the Products, regardless of the cause of that damages, losses etc. The foregoing indemnity shall apply to amounts paid in settlement of claims but only when such settlement is made with the written approval of the Buyer. The Seller shall give the Buyer notice of any claim and of any legal proceedings within the scope of the indemnity and shall give the Buyer the right to conduct the negotiations of any such claim and the defence of any such legal proceeding, subject to the right of the Seller to be associated with such negotiation or defence.

8. PRODUCT LIABILITY AND THIRD PARTY CLAIMS

- 8.1 The Buyer shall be responsible for that the Products and the instructions for the Products comply with all applicable laws and regulations of the Territory in which the products are to be used and will keep the Seller fully advised of such laws and regulations.
- 8.2 The Seller shall be liable for personal injury, only if it can be shown that the injury is caused by gross negligence by the Seller or by someone for whom the Seller is responsible.
- 8.3 The Seller is not liable for damage on real estate or property, nor for damage to products manufactured by the Buyer, or to other products of which the Buyer's products form a part.
- 8.4 If and when product liability is imposed on the Seller towards a third party, the Buyer shall indemnify and hold the Seller harmless to the same extent as the Seller's liability has been limited above. The Buyer shall provide proper insurance for such liability and shall, at the Seller's request, give evidence to the Seller that the Buyer has fulfilled its obligations to provide such insurance.
- 8.5 Further, the Buyer agrees to indemnify and hold the Seller harmless against;

- (a) any claims made against the Seller in respect of products incorporating Products supplied by the Seller where such claims relate to parts or aspects of such products other than the products supplied by the Seller; and
- (b) any claims arising from the Seller's compliance at manufacture with the Buyer's design or performance stipulations as the case may be; and
- (c) any claims made against the Seller in relation to any use of the Products other than in strict accordance with the requirements of relevant Governments or statutory or other authorities or with the Seller's instructions and for the purpose and application for which the Seller supplied the Products.

8.6 The Buyer acknowledges that the limitation of liability of the Seller in Clauses 6, 7 and 8 are reasonable and reflected in the price.

8.7 Clauses 6, 7 and 8 shall be unaffected by any termination of this Agreement or any part thereof, and shall apply notwithstanding any other provisions of this Agreement or any other agreement.

9. FORCE MAJEURE

- 9.1 If the Seller cannot fulfil the Agreement due to industrial disputes or any other circumstances beyond the Seller's control, which the Seller could not reasonably have expected or taken into account at the time of the conclusion of the Agreement and which consequences the Seller could not reasonably have avoided or overcome; including but not limited to, fire, war, military mobilizations, requisition, seizure, currency restrictions, insurrection and civil commotion, shortage of transportation, shortage of materials, restrictions in use of power and defects or delays in deliveries by sub-contractors, it shall be regarded as a case of relief and the performance period will be extended and the Seller will be exempted from any claim for damages or other remedies. If the completion of the Agreement of delivery of the Products is in the Seller's opinion rendered impracticable the Seller may terminate, cancel, rescind or suspend such delivery by delivering to the Buyer a notice in writing to that effect and the Seller shall not be liable for any resulting loss or damage to the Buyer.
- 9.2 If the Seller due to circumstances beyond or within its control only can fulfil its liabilities by using alternative performance possibilities, which compared to the value of the agreed delivery and the Buyer's interest to receive the delivery from the Seller, means unreasonable economic sacrifice for the Seller, this is also a case of relief.

10. TERMINATION, REPOSSESSION, SUSPENSION

- 10.1 Without prejudice to any remedy either party may have against the other for breach or non-performance of the Agreement, either party shall have the right to terminate the Agreement with immediate effect, if the other party should violate any of the provisions or conditions of the Agreement, and should fail to discontinue and make good such violation within one (1) month after receipt of notice in writing from the complaining party.

Late payment by the Buyer shall, however, always be sufficient cause for immediate termination without any advance notice.

If the Agreement is terminated the rights granted in the Agreement shall not constitute an asset in bankruptcy or insolvency proceedings.

- 10.2 Without prejudice to any remedy the Seller may have against the Buyer for breach or non-performance of the Agreement, the Seller shall

- (a) if the Buyer appears to be insolvent or suspends payment or threatens to do so;
- (b) if an order for relief is entered against the Buyer under any bankruptcy or insolvency laws or laws of similar import;
- (c) if steps are taken to (i) propose any composition, scheme of arrangement, compromise or arrangement involving the Buyer and its creditors generally; (ii) put in force any legal process against the Buyer or any of its property, or enforce any charge of other security over the Buyer's property; (iii) repossess any products in the Buyer's possession; (iv) wind up or dissolve the Buyer, or the Buyer's ownership, management, organization or capital structure is changed in a way that is likely to be detrimental to the interests of the Seller; or

(d) if the Buyer should challenge the validity or ownership of the Seller's intellectual property rights,

have the right to do any one or (to the extent not inconsistent with one another) more of the following:

- (a) terminate, cancel and/or rescind the Agreement and any other agreements with the Buyer, wholly or in part;
- (b) revoke any express or implied authority to sell, use or consume any Products the title of which has not passed to the Buyer ("relevant products");
- (c) re-sell any relevant products or transfer the property in them to the Buyer;
- (d) suspend any deliveries to be made under any contract with the Buyer;
- (e) proceed against the Buyer for the price of the Products and/or damages; or
- (f) require the Buyer to indemnify the Seller against any loss, damage or claim resulting from any purported cancellation or failure to take delivery, including the payment of licence fees or other fees incurred by the Seller in the course of its business together with the cost of any material, plant or tools used, or intended to be used, for the Buyer's order(s), the cost of labour and other overheads, and redundancy payments primarily attributed to such purported cancellation.

11. GENERAL

- 11.1 The Buyer shall not assign, mortgage, charge, sub-let or otherwise dispose the Agreement or any rights thereunder in whole or in part without the Seller's prior written consent. The Seller shall be entitled to assign, sub-contract or sub-let this Agreement or any part thereof.
- 11.2 Notices under the Agreement shall be sent by registered mail, postage prepaid, and shall be regarded as properly given fourteen (14) days after the registered mailing date and shall be regarded as properly addressed to the addresses stated in the preamble or to such other addresses that the Seller and the Buyer, as the case may be, shall specify in writing to the other party. All communication between the Buyer and the Seller shall be in English, unless otherwise agreed.
- 11.3 Amendments, modifications and alterations to the Agreement shall be made in writing signed by both parties.
- 11.4 The Seller's right shall not be prejudiced or restricted by any indulgence or forbearance extended to the Buyer and no waiver by the Seller in respect of any breach shall operate as a waiver in respect of any subsequent breach.
- 11.5 All exhibits referred to form an integral part of the Agreement. In the event of any contradiction between the terms and conditions of the Agreement and such exhibits, the terms and conditions of the Agreement shall prevail.

Any representations, statements, warranties or agreements other than those herein explicitly expressed have not induced the making, execution and delivery of the Agreement by the Seller.
- 11.6 By signing the Agreement the Buyer confirms that all the provisions of the Agreement including these General Conditions are legally valid and enforceable under the law of its country and that they are not in conflict with compulsory legislation of the Buyer's country.
- 11.7 Any stamp duty, taxes or similar charges for the registration, if any, of the Agreement or the like shall be paid by the Buyer.
- 11.8 Without the prior written approval of the Seller the Buyer is not entitled to designate independent traders or commercial agents or any other similar representatives for the sale of the Products. Such approval shall not be unreasonably withheld, provided that such sub-agreement shall be in compliance with the terms of the Agreement.
- 11.9 If national or international legislation or other national or international rules necessitate changes in the present Agreement or make it illegal for one or both of the parties to apply one or more of the provisions in the Agreement, it is the intention that the Agreement shall continue to be applied by the parties to the extent it is legally possible and in so far as it is not clearly unfair to one or both of the parties. Changes in the provisions of the

Agreement that might be necessary due to the above-mentioned conditions shall be kept to the minimum, which is legally required, and to the extent possible the changes shall aim at maintaining the contents of the Agreement as much as possible in word as well as in spirit.

- 11.10 If the cost for the Seller of performing its obligations under the Agreement is increased by reason of the making or amendment, after the date of the offer, of any law or of any order, regulation, or bye-law having force of law, that affects the performance of the Seller's obligations under the Agreement, the amount of such increase shall be added to the price.
- 11.11 In case the Buyer accepts an offer from the Seller through an order to which order Buyer's standard conditions or any other conditions are applied, these General Conditions supersedes the Buyer's standard conditions.

12. DISPUTES AND APPLICABLE LAW

- 12.1 The Agreement and all sales contracts, concluded between the parties regarding the Products, resulting herefrom shall be governed by and construed in accordance with Swedish law, without regard to its conflict of law rules, as such law shall from time to time be in effect, and such law shall also govern in the settlement, by arbitration, court proceedings or otherwise, of any and all disputes arising between the parties as well as the validity of the arbitration clause below.
- 12.2 All disputes, claims, controversies and differences arising out of or relating to the Agreement and all sales contracts, concluded between the parties regarding the Products, resulting herefrom, or the termination, breach or invalidity thereof, shall, provided that the value of the disputed matter amounts to no less than fifty-thousand (50 000) EURO, with the exclusion of the ordinary courts, be referred to and finally settled by three arbitrators in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce in force at the time. The arbitration proceedings shall take place in Malmö, Sweden. The language of the proceedings, documentation and the award shall be in English.
- 12.3 When the value of the disputed matter amounts to less than fifty-thousand (50 000) EURO the dispute shall be referred to ordinary court proceedings in Sweden.
- 12.4 The parties agree that the arbitration award shall be enforceable and either party may ask any competent court to confirm an arbitral award or otherwise provide that it shall be enforceable.
- 12.5 Notwithstanding the provisions of this Section regarding arbitration, the Seller may at its own discretion take any legal proceedings against the Buyer before any competent court of the country where the Buyer has its principal place of business, as far as concerns payment with respect to any sales contracts concluded between the parties hereunder. The Buyer may thereby not arise any counterclaims or objectives of receipts related to other deliveries than those referred to in the Seller's proceedings.