

Sales Terms and Provisions for FlowForm AS

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Scope of Applicability

These Sales Terms and Provisions (hereinafter referred to as "Terms") apply to all sales transactions conducted by FlowForm AS (hereinafter referred to as "FAS"), a Norwegian company. By placing an order with FAS, the buyer acknowledges and agrees to be bound by these Terms. Any deviations from these Terms must be explicitly agreed upon in writing by both parties.

All delivery terms specified in these Terms adhere to "Incoterms 2010". The current Terms will always be available on our FAS' website.

Confidentiality & Intellectual Property

FAS will treat all customer-provided information, including designs, moulds, and technical data, as confidential. Such information will only be used to fulfil agreed-upon orders and will not be disclosed to third parties without written consent, except when legally required or shared with subcontractors under similar confidentiality obligations.

All intellectual property rights to customer designs remain with the customer. Any improvements made by FAS will also belong to the customer unless otherwise agreed. FAS will take appropriate measures to protect confidential information.

Pricing

All quoted prices are ex-works and do not include VAT, customs import duties, or other public charges and taxes, unless explicitly agreed otherwise. The quoted prices exclude FAS's standard transport packaging and pallets.

Quoted prices remain valid for 90 days unless otherwise specified. Nevertheless, price adjustments can result from factors such as increased production costs, material selection, production volume, material prices, applicable public charges, or fluctuations in foreign exchange rates. These adjustments will be effective from the date the new prices are communicated to the customer.

Quotations based on customer-provided tools assume automatic production without additional adjustments or processing. This also applies to cooling efficiency, where FAS assumes the production cycle/time will remain consistent. If these assumptions change, FAS reserves the right to adjust their quotations accordingly.

Order Process

Customers submitted purchase orders become binding for the customer once FAS issues a written order confirmation or, if no confirmation is issued, upon delivery of the products.

Any modifications to FAS's offers or the customer's purchase orders after they become binding must be agreed upon in writing.

To facilitate production preparation, FAS requires the customer's approval of the provided documentation and/or master samples at least 4 weeks before production begins. If approval is received later than this, it may result in several weeks of delivery delay, for which FAS will not be held liable.

Samples & Dimensional Report: For test production/runs of developed moulds, FAS offers up to 5 samples free of charge. If additional samples are needed, a separate agreement must be made. If a dimensional report for samples is required, this must be agreed upon separately.

Order Cancellation: The customer is not permitted to cancel, suspend, or modify any binding order. However, FAS may, at its sole discretion, agree to such changes and may impose conditions, including (but not limited to) requiring the customer to compensate FAS for any documented expenses.

Liability for Pre-Purchased Materials: If the customer reduces or cancels a forecasted order, they will be responsible for all costs associated with pre-purchased materials, components, or reserved production capacity. FAS will invoice the customer for these materials at cost, including reasonable handling and storage fees. If the materials cannot be reused within a reasonable period, the customer must either take delivery of the materials or compensate FAS for disposal costs.

Payment & Collection Costs

Ownership of the delivered products will remain with FAS until all invoices are fully paid. Payment is due within 30 days from the date of invoice (NET30). All delivery terms are Ex Works (EXW). Any exceptions must be explicitly agreed upon in writing.

If the customer fails to adhere to the agreed payment terms, FAS reserves the right to halt work and/or suspend the delivery of any ordered products. Should the customer fail to make payment by the due date, FAS reserves the right to charge interest at a rate of 12,5% per annum on the overdue amount from the due date until payment is received. Additionally, the customer will be liable for any collection costs, including legal fees, incurred by FAS in recovering the outstanding payment. FAS may suspend deliveries and halt ongoing work until full payment is received.

Dispatch and Delivery

The delivery timeframe for manufactured products will be established by mutual agreement between the parties. If no specific agreement is made, delivery will occur within a reasonable period following FAS's issuance of the order confirmation. This period will accommodate material procurement and delivery, tool preparation, the allocation of machine capacity and the actual production period per article.

Should the customer and FAS agree upon a binding forecast/delivery arrangement or the commercial terms for maintaining of a defined stock, shorter general delivery times may be offered. This arrangement allows among others for a quicker delivery by utilizing pre-purchased materials and reserved machine capacity.

The delivery period will not commence until all necessary documentation and any required part- or pre-payment have been received by FAS. If it is agreed that FAS will ship the products to a designated location, FAS will have sole discretion over the packaging, mode of transport, and shipping route.

Notification of Delayed Delivery: If FAS anticipates a delay in product delivery, they will promptly inform the customer via email and provide a revised delivery date. If the delay is due to Force Majeure, the terms outlined in the "Force Majeure" section will apply.

Tolerances and Quantity Specifications

Quantity: Variations in the quantity of products by +/- 5% from the ordered amount will be considered acceptable and will not be deemed a breach of contract.

Quality: All deliveries adhere to the medium dimensional tolerance level specified by the DIN 16901 standard. FAS is ISO 9001, 14001 and 45001 certified, and quality control during production follows FAS's internal standards.

The parties may mutually agree on different tolerance and quantity levels. Certificates of conformity and other quality documents can be provided separately upon request. FAS's liability for any breach of contract related to product delivery is detailed in the "Liability Constraints" section.

Warranty & Claims

FAS warrants that all injection-moulded products meet agreed specifications and are free from defects for 12 months from delivery.

The customer must inspect products upon delivery and notify FAS in writing within 30 working days of any defects, incorrect products, or deviations from the "Tolerances and Quantity Specifications" section. The notice should include a signed bill of lading and details of the defect, with samples sent for assessment.

Exclusions:

- Normal wear, material degradation, improper handling, or external influences.
- Defects from customer-supplied moulds, materials, or designs.
- Issues caused by post-processing or assembly outside FAS's control.

FAS will address claims within 15 working days. Liability is limited to repair, replacement, or credit. Indirect or consequential damages are excluded.

Tool / Mould Preservation

For customer-supplied tools: Upon receipt, FAS will inspect the tool and notify the customer of any necessary adjustments to ensure automatic production without further modifications. The customer will be responsible for any costs associated with these enhancements. A cost estimate will be provided before any work begins. Once improvements are made, FAS will ensure the mould is ready for production and delivery as agreed. If the customer declines the improvements, FAS may issue a revised product quotation.

FAS handles all cleaning and lubrication. Any tool issues must be reported to the customer promptly. If repairs, overhauls, or renewals are needed, the customer will cover the costs to ensure the mould supports automatic production without post-processing.

In case of tool malfunctions, FAS can perform minor repairs or improvements up to NOK 20.000 without prior customer approval to prevent costly production delays. These costs will be borne by the customer. Major repairs or improvements exceeding NOK 20.000 require customer approval before proceeding. FAS will cover any damages caused by their actions.

For customer-initiated product changes, FAS will provide an impact assessment and cost estimate for approval before making any changes. Any tool issues must be immediately communicated to the customer with a remediation plan.

The customer is responsible for the product design and any related construction errors. The supplier will assist with advice on repairs for defects due to faulty design, materials, manufacturing, or equipment replacement.

For moulds owned by the Customer, the Customer is responsible for assessing and obtaining the desired insurance coverage for the mould. FAS remains responsible for covering any damage to the mould caused by errors, negligence, or lack of due care on the part of FAS.

Stored Moulds. Moulds owned by customers that have not been utilized in production for the past 24 months will be returned to the customer. Alternatively, FAS may offer annual storage for a fee, subject to capacity. Storage fees are billed in advance once the tools have been inactive for 24 months and cover one year, regardless of production activity during that period. The annual storage fee in climate-controlled facilities per mould space is €400 for the first year, €500 for the second year, and €600 for the third year. Billing starts from the first calendar year after one full year of inactivity and continues annually. After 5 years of inactivity, the mould will either be returned to the owner with Ex works delivery terms, or FAS will offer to dispose of/recycle the mould for a recycling and handling fee of €200.

Termination and Tool Return.

If the Customers wants the moulds relocated from FAS and transferred to another address, a preparation cost of €100 pr hour will be charged. Typical cost will be €400 pr mould depending on the complexity of the mould and the required preparation.

If cooperation is terminated, all outstanding obligations, such as costs for pre-purchased materials, charges for modifications or improvements made to the mould, must be settled before the tool is returned or stored.

Liability Constraints

Under no circumstances will FAS be held responsible for the intended use, implementation, or adaptation of the manufactured product by a third party, unless explicitly defined as part of the project by both the customer and FAS.

If the products are found to be incorrect, defective due to production errors, or if there are deviations in dimensions or quantities beyond the accepted limits specified in the "Tolerances and Quantity Requirements" section, FAS may choose to either rectify the defect by providing replacement products or issue a credit note for the affected products. In the event of a claim, any retrievable products must be returned to FAS at FAS's expense. FAS will determine the mode of transport and shipping route.

These are the sole remedies available to the customer for defective products or insufficient quantities or dimensions. FAS will not be liable for any consequential damages, indirect losses, customer product recalls or the like. This limitation of liability does not apply if the breach of contract was caused by wilful negligence.

Force Majeure and Pandemic

The definition of Force Majeure by the International Chamber of Commerce (brochure No. 421) applies to these Sales Terms. If a force majeure event, including global pandemics like COVID-19, persists for more than 20 working days, the buyer may cancel the order if there is a risk of loss. Such events can disrupt the supply chain, affecting schedules, access to services, and the availability of components. Consequently, the terms of this quotation/confirmation regarding service availability, rates, and schedules may differ from those in the contract. By accepting this quotation/confirmation, you agree to these modifications and waive any formal contractual requirements related to this amendment. All other contract terms remain unchanged.

Environmental & Sustainability Commitment

FAS is committed to promoting environmental sustainability in all aspects of our business operations. In line with our Environmental & Sustainability Policies, we strive to minimize our environmental impact through responsible sourcing, Sustainable transport methods, energy efficiency, waste reduction, Eco-friendly packaging and the use of sustainable materials. By engaging in these practices, we aim to support the circular economy and reduce our carbon footprint.

We encourage our customers and partners to join us in adopting sustainable practices and making environmentally responsible choices. Both parties shall work together to ensure that environmental considerations are taken into account throughout the lifecycle of our products, from design to disposal.

We are dedicated to complying with all relevant environmental laws and regulations and continuously improving our sustainability efforts to contribute to a more sustainable future. We are certified according to ISO 14001, which ensures that we comply with strict environmental requirements in all our processes.

Severability

If any provision of these Sales Terms is found to be invalid, illegal, or unenforceable, it shall be enforced to the maximum extent allowed by applicable law. The validity, legality, and enforceability of the remaining provisions will remain unaffected.

Governing Law, Negotiation, and Arbitration

These Sales Terms are governed by and interpreted in accordance with Norwegian law. In the event of any dispute arising from or relating to these Terms, the parties agree to first attempt to resolve the issue through good-faith negotiations. If the dispute cannot be resolved through negotiation within 30 days, it will be resolved through arbitration in accordance with the Norwegian Arbitration Act. The arbitration will take place in Oslo, Norway.