

WATERSPRINT'S GENERAL TERMS OF PURCHASE

1. Introduction

1.1 These General Terms of Purchase (the “**Terms**”) are hereby incorporated and made an integral part of each Order (as defined below) and any other written purchase agreement referring to these Terms (the “**Agreement**”) between Watersprint AB (“**Watersprint**”) and the supplier named in the Agreement (the “**Supplier**”).

1.2 These Terms are applicable to all of Watersprint’s purchases, whether relating to separate parts or finished products (“**Goods**”) or services (“**Services**”) and will thus take precedence and exclude the application of any conflicting or deviating general or specific terms or conditions of the Supplier. Goods and Services are jointly referred to as “**Deliverables**”.

2. Purchase and sale

2.1 Watersprint wishes to place one or more purchase orders from time to time to Supplier (an “**Order**”). No Order shall be valid unless issued by an authorized Watersprint representative.

2.2 Watersprint agrees to buy from Supplier, and Supplier agrees to sell and deliver to Watersprint, Deliverables in such quantities and at such times as agreed upon in an Order.

2.3 An Order shall be executed in writing and be confirmed by the Supplier without any delay. In the event Watersprint does not receive confirmation within five (5) working days, the Order shall be deemed accepted by the Supplier.

2.4 Unless otherwise explicitly agreed in an Order, Watersprint shall not be obliged to purchase any minimum volume or all or any portion of its requirements of Deliverables from Supplier. No forecast shall be considered as an undertaking of Watersprint to purchase such volumes of the Deliverables.

2.5 Any Order may be modified or withdrawn by Watersprint until it has been accepted by Supplier. Watersprint may also modify or cancel an accepted Order but in such case, Watersprint shall reimburse the Supplier for reasonable proven actual cost and expenses incurred by the Supplier as a direct consequence of the change or cancellation of the Order.

3. Delivery

3.1 The Supplier shall properly pack and mark all Goods, either according to specifications by Watersprint or, in the absence of such, according to applicable trade standards.

3.2 The Supplier shall ensure that all relevant and customary quality control is performed before delivery of the Goods.

3.3 Watersprint shall not be responsible for any pallets, containers, or other materials used in the delivery of the Goods, and Supplier shall indemnify and keep indemnified Watersprint against any claims, damages, and liabilities arising from the use or disposition of the same.

3.4 The Supplier shall retain or reacquire title to, and bear all risks of loss of, Goods rejected as Nonconforming and shall, at its sole expense, be responsible for the return or disposal thereof as Watersprint reasonably directs.

3.5 Supplier shall make delivery of the Deliverables to the destination and at the time of delivery as stated in the Order or otherwise agreed between the Parties in writing. Unless otherwise agreed in writing, the delivery of Goods is made DDP Watersprint’s relevant warehouse (determined in accordance with the INCOTERMS 2010).

3.6 Any agreed time of delivery is of the essence, and Supplier shall promptly, in writing, notify Watersprint if it anticipates that delivery will not be on time.

3.7 In case of delay in the delivery of the Deliverables, Watersprint shall be entitled to liquidated damages amounting to 1 % of the total purchase price for the delayed Deliverables for each commenced week of delay calculated from the agreed due date to the actual date of delivery, up to a maximum of 10 % of the total purchase price for the delayed Deliverables. Watersprint shall have the right to set off liquidated damages against the Supplier’s invoices.

3.8 If the maximum liquidated damages set out above is applicable, Watersprint may by written notice immediately terminate the Order in whole or in part without any costs for Watersprint.

4. Quality assurance and inspections

4.1 Watersprint, and its representatives, shall at any time be allowed to inspect Goods and observe work performed by the Supplier’s staff and subcontractors at Supplier’s site or wherever located during reasonable business hours after reasonable notice to Supplier to confirm conformance of the Deliverables and Supplier’s performance with the Agreement.

4.2 The Supplier has the right to request that an independent inspector is engaged for the inspection on their premises if desired. The Supplier does not have the right to completely refuse an inspection if Watersprint calls for one.

5. Prices and payment

5.1 All prices payable by Watersprint for the Deliverables shall be as stated in the Agreement. Unless otherwise agreed in writing prices (i) are fixed and no unilateral price changes are permitted, (ii) are exclusive of VAT but inclusive of all other taxes and duties applicable, and (iii) are inclusive of all storage, handling and the cost of packaging and delivery on the delivery term stated in the Agreement.

5.2 Payment shall be made in SEK, sixty (60) days net of the date of the invoice unless otherwise agreed in writing.

5.3 No initial acceptance of Deliverables or payment by Watersprint shall prejudice Watersprint’s right thereafter to contest any invoice or reject any Deliverables that do not conform strictly to the Agreement.

6. Warranty

6.1 Supplier warrants that all Deliverables conform with all agreed terms and specifications and comply with all applicable legal requirements and generally accepted standards in the industry. Supplier furthermore warrants that the Deliverables are of satisfactory quality and fit for the agreed purpose and free from defects in design, materials and workmanship. Supplier also warrants that Services will be carried out with all reasonable care and skill and be of sound workmanship.

6.2 In addition to the warranties set out in Section 6.1, the Supplier warrants that Goods intended for purification of water for human consumption or use does not emit hazardous materials, are mislabelled or otherwise unfit for human use and are free from impurities or allergens that adversely affects Watersprint’s ability to use or resell the Goods.

6.3 The warranties of the Supplier (as stated above and elsewhere in the Agreement) shall be in force for a minimum period of twelve (12) months from the date of delivery unless a longer period is agreed.

The foregoing shall not apply in cases of liability or wilful conduct, for injury to life limb or health based on negligent breach of duty by the Supplier, as well as in cases of liability for other loss or damage based on a grossly negligent breach of duty by the Supplier. Section one of this Section 4 shall furthermore

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not apply in cases where a defect has been fraudulently concealed. In these cases, the statutory limitation periods shall apply.

6.4 Any Deliverables deviating from the warranties set out in the Agreement, any agreed specifications or these Terms are deemed "Nonconforming". Watersprint shall report to Supplier any Nonconforming Deliverables within a reasonable time after having discovered such Nonconforming Deliverables.

6.5 Nonconforming Goods may be rejected by Watersprint and returned to the Supplier at the Supplier's risk and expense. In case of Nonconforming Deliverables, Watersprint may, at its own choice and discretion and at the expense of the Supplier, demand prompt remedy of the Nonconforming Deliverables by either repair, redelivery, delivery of substitute or complementary Deliverables or request a reduction of the purchase price. When a Nonconforming Deliverable has been remedied, the Supplier shall be liable for defects in such Deliverables under the same terms and conditions as those applicable to the original Deliverables. If the Supplier within reasonable time does not deliver conforming Deliverables upon Watersprint's request, Watersprint is entitled to terminate the Agreement in part or in whole.

7. Liability

Product liability

7.1 Supplier shall indemnify Watersprint against all claims, liabilities or legal actions directly or indirectly arising from death or personal injuries or damage to any personal property or other losses caused by a safety defect in Goods, asserted against Watersprint directly or indirectly from any third party.

General liability

7.2 Without prejudice to any other form of remedy according to these Terms or law, Supplier shall compensate Watersprint for damages or any direct cost in connection to any Nonconforming Deliverables duly reported in accordance with these Terms or any other non-compliance by the Supplier with any of its obligations under the Agreement.

Recalls

7.3 If Watersprint or any of its customers decides to recall the Goods or a product incorporating the Goods in whole or in part, to the fault of the Supplier or the Goods, the Supplier shall be liable to Watersprint for all damages suffered by Watersprint relative to their liability for such recall.

Limitation of liability

7.4 Neither Party shall be liable for any indirect damages or losses, including but not limited to loss of profits. Notwithstanding the foregoing, the limitation of liability as set forth herein shall not apply to claims under section 7.1 (*Product Liability*), section 7.3 (*Recalls*), section 8 (*Confidentiality*), Section 9 (*Intellectual property rights*) or in case of gross negligence or wilful misconduct.

8. Confidentiality

8.1 Each party undertakes to treat as confidential all information supplied by the other party and shall take all necessary measures to ensure that neither such party, nor any of its employees, agents, suppliers, subcontractors, or other interested party whether involved on a permanent or temporary basis, shall communicate or divulge to any third party any information, in particular specifications, designs and drawings concerning Orders. This requirement of confidentiality shall be maintained for a period of three (3) years from the date of completion of the performance of the Order. Immediately after the warranties in this Agreement expires and upon disclosing party's request, the receiving party undertakes to return to disclosing party, or

alternatively to destroy as instructed, all documents, confidential or otherwise, relating thereto.

9. Intellectual property right

9.1 The Supplier warrants that Deliverables do not, and their use or resale by Watersprint will not, infringe any third party's intellectual property rights. The Supplier shall indemnify and fully compensate Watersprint for all costs and damages, as a result of infringement (or alleged infringement) of any third party's intellectual property rights, which relate to the Deliverables.

10. General provisions

10.1 The Supplier may not appoint or change sub-contractors for the performance of its obligations under the Agreement without the prior written consent of Watersprint. The Supplier shall at all times remain fully liable for each sub-contractor's obligations as for its own.

10.2 No modification of or amendment to the Agreement shall be valid unless in writing signed by the parties.

10.3 If any provisions of the Agreement are found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

10.4 No failure or delay on the part of one of the parties in exercising any right under the Agreement operates as a waiver of, or impairs, any such right. No single or partial exercise of any such right precludes any other or further exercise thereof or the exercise of any other right.

10.5 The Supplier shall uphold a relevant insurance covering all relevant statutory, contractual and professional liability (including but not limited to product liability). The Supplier shall allow Watersprint to inspect a copy of the relevant insurance policies upon request.

10.6 The Supplier hereby agrees to act in accordance with the following.

- Never engage in bribery or corrupt practices under applicable laws. Watersprint has no tolerance for bribes or corrupt practices, including money laundering.
- Offer good working conditions for all its employees, including never engaging in child labour. The Supplier must comply with applicable legislation and agreements with regard to minimum age, working hours, rest, time-off, compensation and benefits.
- Integrate environmental issues in the business operations and actively work towards reducing energy consumption and to limit emissions of pollutants.

For the avoidance of doubt Supplier's breach of this section shall be deemed constitute a Breach.

11. Termination

11.1 Either party may in its sole discretion, and without prejudice to any other rights or remedies it has, terminate the Agreement immediately upon notice of such termination of the other party if: (i) the other party materially fails to perform in accordance with the Agreement ("**Breach**"), and if such Breach is not corrected within thirty (30) days after notice of Breach is given to the defaulting party; (ii) the other party shows reasonable signs of insolvency.

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12. Force majeure

12.1 Neither party shall be responsible to the other for any failure or delay in performing any of its obligations under the Agreement or for other non-performance hereof if such delay or non-performance is caused by pandemic, strike, labour disturbances, fire, flood, riot, act or ordinance of any governmental or local authority, terrorism, or by any other cause beyond the reasonable control of that party ("**Force Majeure Event**").

12.2 The party who is affected by Force Majeure Event shall immediately inform the other party of such event and use reasonable commercial efforts to remove or overcome the hindrance for performance. Should a Force Majeure Event continue for more than three (3) months, either party shall have the right to terminate the Agreement with immediate effect.

13. Applicable law and dispute resolution

13.1 The Agreement shall in all respects be governed by and construed in accordance with the laws of Sweden, without giving effect to the choice of law principles thereof.

13.2 Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be settled in Malmö, Sweden by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce ("**SCC**"). The language to be used in the arbitral proceedings shall be English.

13.3 The Rules for Expedited Arbitrations (**Sw. Förenklat skiljeförfarande**) shall apply, unless the SCC in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that the Arbitration Rules shall apply. In the latter case, the SCC shall also decide whether the Arbitral Tribunal shall be composed of one or three arbitrators.
