

## GENERAL TERMS AND CONDITIONS OF SALE

### 1. DEFINITIONS

The following terms shall have the meanings assigned to them:

- a. **Seller:** Refers to TISCO Valves Manufacturing LLC ("TISCO").
- b. **Product:** Any physical item sold by the Seller, including but not limited to valves, flanges, and related machining components within the steel piping product family.
- c. **Buyer/Client:** The entity purchasing Products from the Seller. The term "Buyer" is used throughout this document.
- d. **Supply Agreement:** The formal instrument defining the terms under which the Seller supplies its Products and/or services to the Buyer, including Purchase Orders, Supply Contracts, or Supply Agreements.
- e. **Supply Terms and Conditions:** The detailed conditions governing materials, pricing, delivery terms, schedules, and other provisions beyond these General Terms and Conditions of Sale.

### 2. GENERAL PROVISIONS

These General Terms and Conditions of Sale ("Terms") are an integral part of any Supply Agreement between the Parties. If any provision in the Supply Terms and Conditions conflicts with these Terms, the Supply Terms and Conditions shall prevail. Any waiver of rights under these Terms must be explicitly stated in writing. Neither Party may assign its rights or obligations without prior written consent from the other Party, except as expressly provided herein.

### 3. PRICING

Contracted prices shall remain firm during the validity of the Supply Agreement unless a price adjustment mechanism has been explicitly agreed upon. The Buyer shall pay all applicable taxes, including VAT, in accordance with prevailing tax regulations.

Offered prices are based on the complete package. Any changes in items, quantities, or specifications shall give the Seller the right to revise the offer. Additionally, partial orders are not acceptable; however, if required, they will be re-quoted separately for the partial scope.

### 4. DELIVERY TERMS

Products shall be delivered per the conditions set forth under INCOTERMS 2000, as stipulated in the Supply Agreement. Deliveries shall conform to agreed time schedules and quantities. Once the contracted quantity has been delivered, the Seller's delivery obligations are considered fulfilled.

### 5. INSPECTION AND QUALITY CONTROL

The Buyer may engage third-party inspection agencies or its own quality control representatives at the Seller's premises or delivery location. Witness and Hold Points shall be mutually agreed upon. Any non-conformities must be reported via a formal Non-Conformance Report (NCR) within fifteen (15) days of delivery. Any NCR reported after fifteen (15) days shall not be considered valid for registration. The Seller shall respond appropriately and deploy its quality team if required.

### 6. PAYMENT TERMS

Unless otherwise agreed, payment shall be made through an Irrevocable and Confirmed Letter of Credit, payable 100% at sight at a Seller-designated bank. Issuance and confirmation costs shall be

borne by the Buyer. Payment shall not be withheld due to pending claims, as dispute resolution will proceed separately. Unilateral set-offs or retentions by the Buyer are not permitted.

## **7. ADMINISTRATIVE PROCEDURE**

The processes for delivery, invoicing, and collection shall follow an agreed Administrative Procedure. A standard procedure is outlined in Annex I, which can be modified upon mutual agreement. Any claims must be reported within fifteen (15) days of delivery. The warranty period is twelve (12) months from the date of delivery. The warranty does not cover Products that:

- Are consumed during operation,
- Have a shorter lifespan than the warranty period,
- Have been improperly stored, installed, maintained, or modified,
- Have been exposed to harmful conditions or involved in accidents.

## **9. GUARANTEE**

If a Product fails to meet warranty conditions, the Buyer must provide written notification, including evidence of the defect. The Seller may choose to replace, repair, or compensate for the defective Product. The maximum repair value shall not exceed 15% of the Product's sales value. Compensation shall not exceed 100% of the Product's sales value.

## **10. DELAY PENALTIES**

A grace period of one (1) week for stock deliveries and four (4) weeks for back-to-back deliveries shall apply. Thereafter, delay penalties of 0.2% per week shall apply to the delayed portion of the order. If the Buyer delays payment, a compensation fee of 0.50% per month shall be charged.

## **11. LIQUIDATED DAMAGES**

If the Seller's failure to meet obligations results in additional costs to the Buyer, liquidated damages may apply, not exceeding 3% of the total value of affected Products.

## **12. TECHNICAL SUPPORT**

The Seller shall provide technical support concerning general product information, testing, and inspection. Site visits by technical representatives will be arranged as required, typically within ten (10) working days.

## **13. LIMITATION OF LIABILITY**

The Seller shall not be liable for indirect, consequential, or special damages, including lost profits, downtime, or costs associated with replacement products.

## **14. INTELLECTUAL PROPERTY**

The Buyer shall not acquire any intellectual property rights in the Seller's products. The Seller shall not be liable for third-party claims of intellectual property infringement unless otherwise agreed.

## **15. FORCE MAJEURE**

The Seller shall not be liable for non-performance due to force majeure, including war, strikes, pandemics, raw material shortages, or governmental restrictions. If conditions change significantly, the Parties shall negotiate amendments in good faith.

#### **16. PERFORMANCE BOND GUARANTEE (PBG)**

If required, the Seller shall provide a Performance Bond Guarantee (PBG) of 5% of the contract value. Execution of the PBG requires prior consultation between the Parties.

#### **17. ORDER CANCELLATION**

Order cancellations are subject to Seller approval and a restocking charge of 10% of the item's price unless otherwise agreed.

#### **18. INDEMNITY**

Neither Party shall be liable for loss of profits, revenue, or indirect damages. Each Party shall indemnify the other against claims arising from negligence or contractual breaches.

#### **19. ASSIGNMENT AND SUBCONTRACTING**

The Seller may assign or subcontract its rights and obligations without Buyer consent, provided the Seller remains the primary obligor. The Buyer may not assign its rights without the Seller's prior written consent.

#### **20. SEVERABILITY**

If any provision of this Agreement is found invalid or unenforceable, the remaining provisions shall remain in full force and effect. The Parties shall negotiate in good faith to replace invalid provisions.

#### **21. DISPUTE RESOLUTION AND ARBITRATION**

Disputes shall first be resolved amicably. If unresolved, arbitration under ICC Rules shall take place in Dubai, UAE, in English, under UAE law.

#### **22. INSOLVENCY**

If either Party becomes insolvent or files for bankruptcy, the other Party may suspend obligations without liability.

#### **23. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the laws of the UAE, with jurisdiction in Dubai. The Seller shall not be responsible for compliance with foreign laws where Products are delivered.