

Znok Design AB ("Znok")

1. General

These General Terms and Conditions of Sale (the "GTC") shall apply to all deliveries from Znok Design AB ("Znok"). The applicability of any general terms or specific conditions used by purchasers, potential purchasers or principals (the "Buyer") is hereby explicitly excluded. Contradicting or deviating conditions of the Buyer are accepted by Znok only if approved in writing by an authorized representative of Znok. These GTC shall apply also to subsequent deliveries, regardless of whether Znok has made any further reference hereto.

The Buyer shall buy the products as an independent contractor and shall sell the products in its own name, for its own account and on its own risk. The Buyer may not in any respect represent Znok or enter into any agreement or other commitment on Znok's behalf.

Unless otherwise agreed specifically in writing, the quotation and/or order confirmation from Znok and these GTC shall thus constitute the full purchase agreement between Znok and the Buyer.

2. Quotation and Confirmation

Any quotations issued by Znok shall be non-binding, unless the contrary should be explicit from the quotation and only if they state a validity period. The Buyer's orders shall not be binding on Znok until Znok has confirmed them in writing.

Illustrations, drawings, computations and other documents that are part of a quotation remain Znok's property and shall not be made available to any third parties without Znok's prior written consent.

Facts and data given in brochures, catalogs shall be binding upon Znok only if there is a written reference to them.

3. Minimum Quantities and Sales Forecasts

The quantity, quality and description of and any specification for the goods shall be those set out in Znok's quotation (if accepted by the Buyer) or the order (if confirmed in writing by Znok).

If the Buyer has given to Znok a forecast of the volumes it estimates to order in a following period, this forecast shall be the basis for the price discussions. Such forecasted quantities shall be considered as minimum quantities, unless the contrary should be explicit from the Buyer's order.

Znok reserves the right to make any changes in the specification of the goods which are required to conform to any applicable statutory requirements or, where the goods are to be supplied to the Buyer's specification, which do not materially affect their quality or performance.

4. Terms of Delivery

Deliveries and performances are defined by the written declarations of both parties. In case there are no corresponding declarations, they are defined by Znok's written confirmation of an order.

Delivery schedules are approximate and are based on prevailing market conditions applicable respectively at the time of Znok's quotation and Znok's acceptance of Buyer's order. Delivery shall also depend upon the prompt receipt by Znok of the necessary information to allow maintenance of the manufacturer's engineering and

manufacturing schedule. Znok may extend delivery schedules or may, at its option, cancel the Buyer's order in full or in part without liability other than to return any deposit or prepayment which is unearned by reason of the cancellation.

In case a delay in delivery is caused by Znok, the Buyer shall be entitled to damages only if agreed separately in writing. Znok shall in no event be liable for any pure economic loss or damages or any indirect or consequential loss, costs or damages resulting from a delay in delivery.

5. Transfer of Risk, Transport and Packaging

Unless otherwise agreed, Znok shall determine the route and method of shipment. The risk of loss, or damage to, the goods shall pass to the Buyer as soon as the goods have been handed over to the carrier or left the factory or warehouse.

Unless agreed upon otherwise, transfer of risk from Znok to the Buyer takes place no later than with dispatch or departure of the goods ex works. If assembly and erection was agreed upon as part of delivery, transfer of risk shall take place at the time the goods involved are accepted by the Buyer or, if agreed upon, at the time the goods involved are initially placed in operation.

In case dispatch is delayed due to reasons not attributable to Znok, transfer of risk shall take place at the time which was agreed upon for the delivery ex works.

Shipments shall be packed in Znok's standard packaging in all cases. Znok shall be entitled to choose the particular types of packaging that Znok considers necessary. All expenses incurred by Znok in conjunction therewith shall be borne by the Buyer.

On the Buyer's demand and costs consignment shall be insured against damages out of breakage, transport or fire. In case such insurance is effected, the Buyer has to notify Znok immediately of a damage occurring during transport.

6. Price

In the event of fluctuation of current foreign exchange rates between quotation/proposal/acknowledgement and delivery such fluctuation (whether up or down) may be reflected in the invoice price. All export duties and related fees which Znok may be required to pay in connection with shipments to the Buyer shall be paid by the Buyer in addition to the price quoted.

On material returned by the Buyer, the Buyer shall be responsible for all freight and brokerage charges and all charges that may be levied by customs. On material returned by Znok to the Buyer, the Buyer shall be responsible for all charges that may be levied by customs.

For material returned by Znok to the Buyer which Znok has repaired under warranty or replaced under warranty, Znok will hold the Buyer harmless from all customs charges applicable to such material that may be levied, provided the Buyer can demonstrate to Znok that all reasonable steps allowable under the regulations of the customs authorities have been taken by the Buyer to obviate the payment of such charges.

Any and all applicable excise, sales, use or similar taxes and any transportation charges except as otherwise stated by Znok, shall be paid by the Buyer in addition to the price(s) quoted by Znok. In lieu of any tax, the Buyer may provide Znok with a tax exemption certificate acceptable to the taxing authorities.

7. Payment and Default

Payment must be made in advance, unless other payment conditions have been agreed in writing. Payment shall first be deducted from the costs and subsequently from the interest which has become due and shall thereafter be deducted from the oldest outstanding principal and the current interest.

If the Buyer should fail to comply with the payment terms referred to above, the Buyer shall be required to pay penalty interest according to an interest rate which by ten (10) percentage units exceeds the reference rate under the Interest Act (SFS 1975:635).

The Buyer shall not be authorized to make any deductions from the purchase price on account of any counter-claims it may allege against Znok.

The Buyer shall be liable for all the collection costs, including judicial and extra-judicial costs incurred as a result of its default. Znok shall provide evidence of these costs, *inter alia*, by submitting the statement of fees it receives from its legal advisors.

If the Buyer should fail to comply with any obligation in respect of Znok in pursuance of the purchase agreement, agreements connected therewith or agreements entered into previously or thereafter, or if Znok has reasonable grounds to believe that the Buyer shall not comply or shall not be able to comply with any obligation described in the purchase agreement, Znok shall be authorized, at its discretion:

- a) to require advance payment or proper security for payment, or cash on delivery for payment obligations arising from any current or future agreements;
- b) to suspend deliveries (and to suspend the fabrication and processing of the goods intended for delivery), without prejudice to Znok's right to claim simultaneous or subsequent security payment;
- c) to terminate the relevant purchase agreement in whole or to the extent not executed, with immediate effect;
- d) to terminate one or more, or all the current purchase agreements in respect of which the Buyer has not defaulted, in whole or to the extent not executed, with immediate effect, without prejudice to Znok's right to claim complete compensation of damage.

If, in Znok's judgment, the Buyer's financial condition does not justify continuing the existing terms of payment, Znok may require full or partial payment in advance of shipment or may otherwise change the credit terms. Each shipment shall be considered a separate and independent transaction.

8. Confidentiality

The Buyer undertakes not to make any unauthorized disclosure of any confidential information regarding the goods or the manufacture or sales thereof.

Confidential information shall mean any information, technical, commercial or of any other kind, whether written or oral, except such information which is or will be publicly known or which has come to or will come to the public knowledge in any way other than through the Buyer's breach of this secrecy undertaking. The Buyer ensures that the Buyer's employees will not disclose confidential information to third parties. It rests on the Buyer to ensure that employees likely to get access to confidential information covenant to keep such information confidential to the same extent as the Buyer according to this secrecy undertaking.

The obligations set forth above are not limited in time and shall survive the termination or expiration of the relevant purchase agreement.

9. Intellectual Property

Ownership of any intellectual property right (including, but not limited to any copyrights, design registrations, trademarks and other proprietary rights) of Znok (i) existing at the time of execution of the purchase agreement, or (ii) originating in the course of the purchase agreement or other agreements, is and shall remain solely and exclusively with Znok.

Nothing in the purchase agreement or other agreements shall be construed as a transfer or assignment of any intellectual property rights from Znok to the Buyer. As a consequence, no title or proprietary interest to any product/goods or related materials (including but not limited to reports, drawings, symbols, data sheets, books, models, documents or documentation) and any modifications or improvements thereof used, developed or made available by Znok is transferred to the Buyer.

The Buyer shall use Znok's trade marks and product names when marketing the products from Znok if Znok so requires. Such a right and obligation to such use is limited to the period of this Agreement. The Buyer has no right to use or register any trade mark, product name or trade name which is confusingly similar to the Znok's trade marks, product names or trade names. The Buyer shall not acquire any property rights whatsoever in the Znok's trade marks. Znok assumes no liability, whether express or implied, for the products' infringement upon present or future copyright, design or other intellectual property rights in the markets in which the Buyer is active of any third party. The Buyer shall without delay inform Znok of any infringement or suspected infringement in the markets in which the Buyer is active of Znok's trademarks or other intellectual property rights. Znok is however not obliged to defend such rights. If the Znok chooses to defend his rights the Buyer shall at his own cost and to a reasonable extent assist Znok.

10. Infringement of a Third Party's Rights

The Buyer shall be under a duty to examine whether the goods or any part thereof infringes the right of a third party. Znok has no knowledge of and does not assume any liability for any such infringement.

11. Retention of Title, Property and Risk

No property of any of the goods shall pass to the Buyer until payment of any and all amounts due to Znok shall have been fully made, irrespective whether such amounts due constitute the purchase price of these goods or are due for other reasons.

Accordingly, Znok shall be entitled on default in payment to repossess the goods and the Buyer shall do all in its power to enable Znok so to do. Until property in the goods has passed to the Buyer:

- a) the Buyer shall take proper care of the goods and take all reasonable steps to prevent any damage or deterioration thereto and shall allow Znok to inspect them if Znok so requires;
- b) the Buyer must keep the goods free from any charge, lien, or other encumbrance and store the goods in such a way as to show clearly that they belong to Znok;
- c) the Buyer shall give Znok all such information relating to the goods as Znok may require.

Znok shall be authorized to collect the goods from the Buyer at any time, to arrange for this to be done, or to repossess or store them elsewhere if the Buyer should fail

to comply its obligations in respect of Znok or should fail to do so in full and (or) time, or if it has become clear that the Buyer shall not be able to comply with its obligations in respect of Znok or shall fail to do so in full and (or) time.

Znok shall have this right in particular, but not exclusively, if the Buyer has applied for or been granted a moratorium of payments, if its involuntary liquidation or bankruptcy has been requested or pronounced, or if the Buyer should have entered into any payments agreement with one or more of its creditors.

The Buyer shall be required to notify Znok immediately if third parties can lay claim to rights in respect of goods which Znok has supplied to the Buyer, as long as Znok has any claim against the Buyer. In that case Znok shall be authorized to collect the relevant goods from the Buyer or to have this done, to repossess them and to store them elsewhere. If Znok should wish to collect the goods in conformity with the above, the Buyer shall grant it access to its office or business premises for that purpose.

The Buyer shall be liable for all the costs connected with the collection and storage of the goods. Znok shall not be obliged to make the goods available again until Znok has been paid in full or has been given sufficient security in respect of its claim(s).

12. Changes and Cancellation

Orders accepted by Znok are not subject to changes or cancellation by the Buyer, except with Znok's written consent. In such cases where Znok authorizes changes or cancellation, Znok reserves the right to charge the Buyer with reasonable costs based upon expenses already incurred and commitments made by Znok, including without limitation, any labor done, material purchased and also including Znok's usual overhead and reasonable profit and cancellation charges from Znok's suppliers.

13. Limitation of Liability

Znok is not liable for any indirect loss, personal injury or property damage suffered by the Buyer, unless Znok has been found guilty of gross negligence. This limitation of liability covers, but is not limited to, loss of production, rental costs, loss of profit and cost of capital.

The Buyer shall hold Znok harmless in the event that Znok is liable to pay compensation to a third party on account of product damage for which the Buyer is liable. The Buyer shall immediately inform Znok of all injury and damage caused by the goods.

14. Warranty and Liability for Defects

All products shall be newly manufactured by Znok and Znok warrants that all products produced and sold to the Buyer shall be of satisfactory quality and conform with the specifications.

Should the product not conform with the abovementioned warranty, or should the quantity of delivered goods deviate from the agreed quantity, Znok shall, at its own discretion and at its own cost, either deliver new products or refund such proportion of the purchase price received corresponding to the relevant defect or shortage. Znok's liability does not extend to defects that are due to materials which the Buyer had supplied or to a design that has been prescribed or specified by the Buyer. Nor does Znok's liability extend to defects caused by circumstances occurring after the risk for the goods has passed to the Buyer, such as, for example, inadequate maintenance, repairs improperly carried out by the Buyer, alterations performed without Znok's written consent or normal wear, tear and deterioration.

ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED ARE HEREBY DISCLAIMED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT THAT ZNOK IS UNABLE TO REPAIR OR REPLACE THE PRODUCT IN A TIMELY FASHION, OR THE WARRANTY PROVIDED HEREIN OTHERWISE FAILS OF ITS ESSENTIAL PURPOSE, THE BUYER'S RECOVERY OF ANY DAMAGE OR LOSS SHALL BE LIMITED TO THE PRICE PAID FOR THE PRODUCT, UNLESS ZNOK HAS BEEN FOUND GUILTY OF GROSS NEGLIGENCE.

15. Enforceability of Provisions

In the event that some provisions, terms or conditions of the purchase agreement, including these GTC, are held to be invalid or unenforceable, the remainder of the provisions that are enforceable shall control. Additionally, the arbitrating panel or court will construe such provision to the maximum extent that it might be found to be valid or enforceable.

16. Disputes and Applicable Law

The purchase agreement, including these GTC, and all agreements with the Buyer shall be governed exclusively by the laws of Sweden. The applicability of the Uniform Law on Sale of Goods (UN-Convention on Contracts for the International Sale of Goods of April 1, 1980) is expressly excluded.

Any dispute arising out of or in connection with the purchase agreement and these GTC shall be finally settled by arbitration in accordance with the provisions of the Swedish Arbitration Act (SFS 1999:116). The arbitration proceedings shall be conducted in English and take place in Stockholm, Sweden, where the award shall be made.

Znok however reserves the right to have a dispute with an opposite party domiciled or resident outside Sweden adjudicated by a competent court outside Sweden.

17. Force Majeure

The parties are relieved from liability for a failure to perform any of their obligations due to any circumstance which impedes, delays, or aggravates any obligation to be fulfilled under the purchase agreement, such as acts or omissions of authorities, new or changed legislation, conflict on the labour market, blockade, fire, flood, shortage of transport means, goods or energy or major accidents as well as defects or delay related to deliveries from sub-contractors caused by such circumstance.

18. Notices and Language

Any notice, request, consent and other communication to be given by a party under the purchase agreement shall be in the English language and may be sent by registered airmail, fax or e-mail. Such notice shall be deemed to be given:

- a) in the case of registered mail: at the latest five (5) days after the date of mailing;
- b) in the case of e-mail: on the date a receipt-acknowledged e-mail is sent; and
- c) in the case of fax: on the date the fax is sent, provided receipt is confirmed by the other party.