

Conditions of Sale

Definitions

- (1) "Afex Hose" shall mean Afex Hose Limited
- (2) "Afex Hose Products" shall mean those products the Customer is purchasing from Afex Hose.
- (3) "Customer" shall mean the individual or entity that is purchasing Afex Hose Products hereunder.
- (4) "Full Product Brochure" shall mean the brochure for each specific product available at <http://www.afex-hose.com/products/>.

General

- (5) These Conditions of Sale form the basis of the contract of sale between Afex Hose and the Customer. In the event of any conflict between the terms and conditions set forth in these Conditions of Sale and any other Customer document, these Conditions of Sale shall govern, unless otherwise agreed to in writing and authorized and signed for by a Director or General Manager of Afex Hose.
- (6) Unless otherwise agreed to in writing, delivery will be at cost from Afex Hose's facilities Brighouse, West Yorkshire, England. Title and all risks of loss or damage pass to the Customer upon delivery to the Customer or third party carrier. Delivery dates specified by Afex Hose are only Afex Hose's best estimates and Afex Hose's only responsibility will be to use reasonable commercial efforts to meet all specified delivery dates.

Customer Responsibilities and Obligations

- (7) It is the Customer's strict responsibility to review all of the usage conditions and usage limitations given for the Afex Hose Products which are intended for use in a particular application, to ensure that the application conditions are in compliance with those usage limitations. The usage conditions and limitations are referred to in these Conditions of Sale, and are further specified in the relevant Full Product Brochure. The Customer shall consult the latest, up to date hose product information and Full Product Brochure at the time of ordering, which are only available and downloadable from the Afex Hose website at <http://www.afex-hose.com/products/>, or on request from Afex Hose. The Customer here represents and warrants that it has read and understands the applicable Full Product Brochure and the usage conditions and the usage limitations set forth therein, and has ensured their compliance with the application conditions.
- (8) If the Customer sells or assigns any Afex Hose Products to any other person or entity, the Customer shall ensure that the final end user of the Afex Hose Products is supplied with these Conditions of Sale, the applicable Full Product Brochures, the Afex Hose website address, together with notification of the requirement to review the usage conditions and limitations. The Customer shall include the terms and conditions set forth herein in its Conditions of Sale to any third party. The Customer hereby agrees and acknowledges that Afex Hose shall have no liability whatsoever for claims arising in whole or in part out of the Customer selling or assigning the Afex Hose Products to a third party that does not use the Afex Hose Products in accordance with Afex Hose's usage requirements and limitations ("Non-Conforming Use Claims"). The Customer shall indemnify and hold harmless Afex Hose, its officers, directors, employees, affiliates and representatives for any and all claims, damages, penalties and losses arising out of or related to Non-Conforming Use Claims.
- (9) The Customer agrees and acknowledges that for any intended hose application in which special conditions apply which are not defined, or not defined sufficiently in the Product Brochure, the Customer shall write to Afex Hose requesting written advice relating to any usage limitations resulting from special conditions. The Customer shall ensure the design suitability and safety of the Afex Hose Products in their intended applications, giving particular consideration to any special condition relating to, but not restricted to the chemical and electrostatic compatibility of the fluids or gases passing through, the possibility of diffusion of fluid or gases through the PTFE hose lining, the possibility of external corrosive conditions, the types and likelihood of excessive mechanical abuse, such as abrasion (internal or external), crushing, excessive flexing or vibrations, etc. and any excessive temperature and/or pressure "pulsing" conditions, or any other condition which may cause premature hose failure. The Customer shall consider, and take account of the degree of risk

involved in any hose failure, including the provision of adequate protection in the event of any risk to any persons. In applications where any type of hose failure would lead to financial losses if the hose is not replaced immediately, the Customer agrees and acknowledges that it shall be the Customer's responsibility to order and hold in stock spare hose(s) accordingly. The Customer shall advise Afex Hose in writing at the time of placing the enquiry and on any purchase order if there are any special requirements for the hose, including special cleaning, or drying, or extra testing requirements which are in addition to normal industrial standards. The Customer agrees and acknowledges that Afex Hose, its officers, directors, employees, affiliates and representatives shall not be held liable for any claims or obligations arising out of the Customer's failure to fulfill any or all of its responsibilities set forth in this Section 9.

- (10) If the Customer has any doubts concerning these or any other usage conditions and limitation or safety parameters, the Customer shall consult Afex Hose at the number and address in the Notice Provisions below and request a written response to any queries.

Hose Service Life; 24 Month Warranty

- (11) It is not possible to guarantee a minimum service life for any of the Afex Hose Products which can be applicable for every type of application. As such, Customer acknowledges that, except as provided below in Sections 12, 13 and 14 Afex Hose is not guaranteeing a minimum service life of any of the Afex Hose Products.
- (12) Service life predictions or guarantees can only be given in cases where all the relevant information concerning the application is given in writing to Afex Hose, and Afex Hose subsequently replies in writing with the service life prediction prior to the order being placed.
- (13) If such a written undertaking is not sought and given, Afex Hose shall not be held liable for any Afex Hose Product failure which the Customer considers to be premature, excepting failures which are due to faulty materials or manufacturing defects which occur within 24 months or 12 months, as applicable, of supply as provided in Section 14 below.
- (14) Afex Hose warrants its Afex Hose Products to be free from faulty materials or manufacturing defects from the date of the delivery, for 24 months; provided, however, that all Hose Assemblies which are "ETH" (Electrical Trace Heated) Grade are only warranted for 12 months.
- (15) AFEX HOSE MAKES NO WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED OTHER THAN AS SPECIFICALLY STATED HEREIN, AND THERE ARE NO WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEED THE OBLIGATIONS AND WARRANTIES SPECIFICALLY STATED HEREIN.

Product Failure

- (16) In the event of a product failure during the applicable warranty period set forth in Section 14, the Customer shall provide Afex Hose with written notification within forty-eight (48) hours of discovering the fault. Afex Hose requires that the Afex Hose Products not be cut up or tampered with, but should be decontaminated and returned to Afex Hose, plus a decontamination certificate, for examination and analysis of the fault. The Customer should also provide full details in writing of the application conditions under which the hose failed, including Pressure, Vacuum, Temperature, Flexing and any cycling of any of these, also the fluids, gases and any cleaning products passed through the hose, and the total time that the hose has been in service also the original order number and the Serial Number for the hose. The Customer may send its own witness to the examination if required. Afex Hose will provide a Non-Conformance Report to the Customer. The Customer shall bear the cost of returning the Afex Hose Products that have failed; provided, however, as set forth in Section 17 below, Afex Hose shall reimburse the Customer for any shipping costs if it is determined that the failure is covered by the warranty set forth in Section 14.

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- (17) If Aflex Hose determines that the faulty materials or a manufacturing defect in the hose is responsible for the hose failure, Aflex Hose's maximum liability shall be the invoice value of the failed hose itself, or the invoice value of the whole customer order as determined by Aflex Hose in its sole discretion, along with any reasonable costs for removal and replacement of the hose, and costs for packing and despatching the failed hose back to Aflex Hose.

Untested Hose for Self Assembly by Customers

- (18) Aflex Hose sometimes supplies "loose" hose, without end fittings attached to a Self Assembly Customer, who will then cut the hose to length and attach end fittings to make up Hose Assemblies for their own use, or for sale to their own customers.
- (19) Unless the Customer requests, and Aflex Hose confirms that the 'loose' hose is pressure tested before supply, such testing is not normally applied by Aflex Hose, because this testing requirement is otherwise satisfied by the Self Assembly Customer during his own testing of the finished Hose Assemblies made up using the "loose" hose. Self Assembly Customers agree and acknowledge that they are solely responsible for carrying out hydrostatic pressure testing of 100% of such assemblies to 1 1/2 times the Maximum Working Pressure (MWP) of the hose assembly as specified in the relevant Full Product Brochure before supply for end use, to validate both the hose and the end fitting attachment.
- (20) When pressure testing braided hoses with a plastic or rubber outer cover, the cover will mask any signs of leakage for a time. The Customer agrees and acknowledges that after the hydrostatic pressure test, it is required to test each covered hose assembly with an internal helium gas pressure of 30 Bar (450 psi) for hose sizes up to 1" and 15 Bar (225 psi) for hose sizes above 1", with the hose assembly immersed in water to enable leak detection by gas bubbles, for a minimum test period of 5 minutes.
- (21) The "Self Assembly" Customer agrees and acknowledges that it shall determine and approve the Design Suitability of the hose assemblies for their intended use before supply and that, except as set forth in Section 22, it shall indemnify and hold Aflex Hose harmless from any Claims and Losses arising from Design Suitability for a Self Assembly Customer. This includes proceeding in accordance with Section (7) and Section (8) above.
- (22) Aflex Hose's liability is limited to Aflex Hose Products which are assembled by approved Self Assembly Customers if all the hose and fitting components were supplied by Aflex Hose or approved for use by Aflex Hose in writing, and they were assembled and tested in accordance with Aflex Hose's current Manufacturing and Testing Instructions, available to approved Self Assemblers in an I-Bay on the Aflex Hose website.

Untested Hose Assemblies

- (23) Aflex Hose is sometimes requested by Customers to attach non-standard end fittings to hose assemblies which they, supply, and in some cases it is not possible to connect these fittings to the Aflex Hose pressure test system. In such cases a "concession not to test" is obtained from the Customer, and a label is attached to the hose assembly, warning that it requires pressure testing before use. The Customer agrees and acknowledges that Aflex Hose shall have no liability whatsoever if the Customer does not comply with the warning that requires pressure testing before use.

Force Majeure

- (24) Aflex Hose shall not be liable for any delay in delivery, failure to deliver or default in performing in accordance with any Customer's order if the delay or default is due to: (a) fires, floods, strikes, or other labor disputes, accidents to Aflex Hose's production facilities, acts of sabotage, riots, natural disasters, difficulties procuring materials, shortages of raw materials, interference by civil or military authorities, whether legal or de facto, governmental restrictions, including but not limited to failure to obtain export licenses, delays in transportation or lack of transportation facilities, restrictions imposed by federal, state or other governmental legislation or, rules or regulations thereof, including a force majeure event occurring in respect to one of Aflex Hose's suppliers; or (b) any other cause beyond Aflex Hose's control.

Governing Law; Jurisdiction

- (25) These Conditions of Sale and all rights, duties and obligations hereunder, including any and all other Customer agreements and orders shall be governed by and subject to English Law.
- (26) The Customer acknowledges and agrees that any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be brought exclusively in the courts of England, United Kingdom. Furthermore, Customer knowingly, voluntarily and irrevocably (a) consents to the exclusive jurisdiction of these courts, (b) waives any immunity or objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may have from or to the bringing of the dispute in such jurisdiction, (c) waives any personal service of any summons, complaint or other process that may be made by any other means permitted by England, United Kingdom, (d) waives any right to trial by jury, (e) agrees that any such dispute will be decided by court trial without a jury, (f) understands that it is giving up valuable legal rights under this Section 26, including the right to trial by jury, and that it voluntarily and knowingly waives those rights.

Limitations of Liability

- (27) Aflex Hose Products have not been designed or tested for use in aerospace, medical implantation or radioactive applications, and such use is therefore strictly prohibited unless written approval from Aflex Hose has been given. Customer agrees and acknowledges that it is aware of the limitations set forth in this Section 26 and hereby agrees that Aflex Hose shall not have any liability whatsoever in the event Customer uses Aflex Hose Products for aerospace, medical implantation or radioactive applications. Customer agrees to indemnify Aflex Hose, its officers, directors, employees, affiliates and representatives for any and all Claims and Losses arising out of Customer's use of the Aflex Hose Products for aerospace, medical implantation or radioactive applications.
- (28) Aflex Hose will not accept liability for any failures of the Aflex Hose Products which are caused by Customers failing to perform their Responsibilities as specified in these Conditions of Sale.
- (29) NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IN NO EVENT SHALL AFLEX HOSE BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOSS OF PROFITS OR REVENUE, LOSS OF PROCESS PRODUCTS, DAMAGE TO EQUIPMENT, DOWNTIME COSTS, OR LOSS OF USE EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE EXCLUSIONS AND LIMITATIONS WILL APPLY REGARDLESS OF WHETHER LIABILITY ARISES FROM FAILURE OF THE PRODUCT(S), BREACH OF CONTRACT, FAILURE TO DELIVER ON TIME, WARRANTY, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), BY OPERATION OF LAW, OR OTHERWISE.

Completion of Bulk Hose Orders

- (30) Due to the nature of the production of PTFE hose, Aflex Hose reserves the right to call an order complete in the following situations. If a product is a standard Aflex product (as listed in Aflex product brochures) a figure of +10% of original order quantity can be supplied. If the product is a non-standard product and outside the Aflex standard product range the figure of +/- 10% of the original order quantity can be supplied. Goods supplied within these parameters would render the order complete.

Notice Provisions

- (31) Any written notice required to be provided to Aflex Hose shall be sent to the following address: Aflex Hose Limited, Spring Bank Industrial Estate, Watson Mill Lane, Sowerby Bridge, Halifax, West Yorkshire, HX6 3BW.

Exclusion of CISG

- (32) The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Conditions of Sale and any and all other Customer documents.