

General Terms and Conditions of Sale of Goods and Services

Scope: The following Terms and Conditions of Sale (hereinafter the "Terms") shall apply to transactions with all types of legal entities (including commercial, non-commercial organizations) and individual entrepreneurs.

1 Conditions of Supply of Goods and Services

1.1. The scope of goods to be supplied and (or) services to be rendered (hereinafter the "deliveries") shall be determined on the basis of the written order confirmation of the Seller, as well as respective written contracts and (or) commitments between the Seller and the Buyer.

1.2. The Seller's quotations shall not be binding offers unless they are specifically said to be binding.

1.3. All deliveries shall be effected on the basis of these Terms. Any references by the Buyer to its own Terms and Conditions of Purchase are herewith expressly excluded. These Terms shall also apply to all future transactions with the Seller, even if this is not expressly agreed upon again. Any variations to these Terms shall be subject to express written confirmation by the Seller. The Buyer's General Terms and Conditions of Purchase shall apply only if they are directly accepted by the Seller in written.

1.4. Data included in product catalogues, price lists, drawings, dimension and weight tables shall not be binding on the Seller unless specific reference is made to them by the Seller. Product details of this kind shall only serve information purposes and shall not be deemed to constitute guaranteed data.

1.5. The Seller reserves all intellectual and / or industrial property rights and copyrights in respect of all technical and commercial documentation provided by the Seller, such as plans, samples, drawings, cost estimates and similar information of a tangible or intangible nature – also in electronic format. These shall not be disclosed to any third party without prior written permission of the Seller and shall be returned to the Seller immediately if requested by the Seller, which the Seller may do at any time. The Seller's obligations do not include the provision of project documentation for goods, services or spare parts.

1.6. Unless agreed otherwise, acceptance tests shall be performed at the place of manufacture and in accordance with the common practices of the industry concerned in the country of manufacture, with the Seller only bearing its own costs. The costs incurred by the Buyer, for example for witnessing the tests, shall be for the Buyer's account. Unless otherwise agreed, acceptance testing shall be done in accordance with the provisions laid down in DIN 1944/III or DIN ISO 9906 as applicable

2 Delivery Time, Delay in Delivery and Force Majeure

2.1. The delivery time is determined by the relevant mutual written agreement (written commitment) between the Seller and the Buyer. The delivery time is effective and binding on the Seller only subject to all commercial and technical issues have been settled by the contracting parties, as well as the fulfillment by the Buyer of its counter-obligations, including (but not limited to) the provision of documents, information, down-payment. In the event of the Buyer's delay, clause 2.6 shall apply.

2.2. The Seller shall inform the Buyer as soon possible about any anticipated delay in delivery.

2.3. Delivery times shall be deemed to have been met when the acts to be effected by the Seller in accordance with the contractually agreed trade terms have been completed. If acceptance of the goods or services by the Buyer has been agreed upon, the date of acceptance shall be decisive – justified refusal to accept the goods or services excepted – or, failing this, the notification of readiness of goods, services for acceptance.

2.4. If shipping and/or acceptance of the contractual goods or services are delayed for reasons within the control of the Buyer, the Seller shall have the right to charge the costs incurred because of the delay.

2.5. Delivery times shall be reasonably extended if delivery is delayed for reasons of force majeure, or any other events or circumstances beyond the reasonable control of the Seller. If the events delaying the delivery persist for more than six months, the Buyer and the Seller, each of them individually shall have the right to withdraw from the contract in general, or to refuse delivery in particular. The Seller shall not be liable to the Buyer for damages as a result of the Seller's or the Buyer's withdrawal from the contract. In case of the contract termination due to force majeure, the Seller has the right to present for payment, and the Buyer shall pay the Seller the cost of actually manufactured and (or) delivered goods and (or) actually

provided services according to supporting documents.

2.6. If the Buyer commits a breach of its contractual obligations and such breach prevents the Seller from fulfilling its delivery obligations, the Seller shall not be liable for the delay in performance of its obligations caused by such circumstances. The term for the Seller's fulfillment of the relevant obligations in such cases is automatically extended by the corresponding period of the Buyer's non-fulfillment of its obligations, until the Buyer remedies such breach.

2.7. Delivery times shall be deemed to have been met when the acts to be effected by the Seller in accordance with the contractually agreed trade terms have been completed. If acceptance of the goods or services by the Buyer has been agreed upon, the date of acceptance shall be decisive or, failing this, the notification of readiness of goods, services for acceptance. Unlawful refusal of the Buyer to accept and pay for goods or services is not allowed.

2.8. If shipping and/or acceptance of the contractual goods or services are delayed for reasons within the control of the Buyer, the Seller shall have the right to charge the costs incurred because of the delay.

3 Passing of Title and Risk. Acceptance

3.1. The goods or services shall be supplied in accordance with the written trade terms laid down in the contract.

3.2. Title and risk of loss passes from the Seller to the Buyer upon delivery of the goods and (or) services.

3.3. Unless agreed otherwise, until the moment of full payment, the goods are considered to be sold on credit and are pledged to the Seller until the moment of payment.

3.4. If the contract provides for the goods or services to be accepted, and if it has been agreed that such acceptance is conditional for the passing of risk, then acceptance shall be effected on the date of acceptance without delay, or, failing this, immediately following the Seller's notification of readiness for shipment (services transfer). A minor defect shall not entitle the Buyer to refuse acceptance and payment of the goods or services. In any case, the Buyer shall accept and pay for that part of the goods that complies with the terms of the contract.

3.5. Partial and early deliveries are permitted.

4 Prices and Payment, Collateral, Set-off and Right to Refuse Performance

4.1. Unless otherwise agreed, prices for the goods shall include the cost of packaging, labelling, custom clearance and insurance till the moment of delivery to the Buyer. VAT at the existing rate shall be added to the prices. If prior to the goods shipment there is an increase of the VAT rate, or new mandatory payments are introduced, the price increases proportionately and is considered to be changed from the moment the Buyer receives the Seller's notice about the increase of the goods price.

4.2. Unless otherwise agreed, payments shall be transferred by the Buyer to the Seller's account without deductions, withholdings and without charging any additional fee as follows:

- down-payments – within 10 (ten) calendar days upon occurrence of payment obligations, and
- payment for the delivered goods and (or) services – within 10 (ten) calendar days from delivery date of the goods and (or) services. Whatever the means of payment used, payment shall not be deemed to have been effected before the Seller's account has been fully and irrevocably credited.

4.3. If the Seller has well-founded doubts about the Buyer's solvency, particularly if the latter is behind with its payments, the Seller shall have the right to demand that the Buyer make advance payments or provide collateral for future deliveries, or to revoke the payment terms agreed upon earlier, without prejudice to further claims. The Seller also has the right to unilaterally suspend the performance of the contract in general, or the delivery in particular, by notifying the Buyer. Submission by the Buyer or a third party of an application to initiate insolvency or liquidation proceedings against the Buyer before full payment of all payments under the contract authorizes the Seller to withdraw delivery unilaterally and without judicial procedures.

4.4. The practice of setting off claims or exercising the right to refuse payment performance by the

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Buyer shall only be accepted if and to the extent when mutually agreed by both parties or legally effective counterclaims confirmed by a final and absolute judgement exist.

4.5. Without prejudice to other rights of the Seller, which are established by applicable law, the following conditions are recognized as material violations of the Buyer and are the cause for the unilateral extrajudicial refusal of the Seller to fulfill the delivery and the contract:
- lasting storage of goods (more than 60 (sixty) days) after which the Buyer, contrary of applicable law or contract, does not accept the goods and (or) refuses to accept them; and/or
- substantial delay in payment of the down-payment for a period of more than 90 (ninety) days.

5 Claims in Respect of Defects and Warranty

5.1. The Seller's warranty against defects in workmanship in goods and materials is limited. The warranty period begins from the moment the goods are handed over to the Buyer. The warranty expiration date is set by the Seller depending on the type of goods.

The Seller's warranty for services is established solely in relation to the performance of repair work in non-warranty cases. The warranty is limited, begins from the moment the repair work is completed and shall not exceed 6 months.

5.2. Defects in Workmanship and Material

5.2.1. The Seller shall repair or replace any defective goods free of charge, on the understanding that the decision whether to eliminate a defect by means of repair or replacement shall be left to the Seller's sole discretion. However, this provision shall apply only on condition that the Buyer immediately notifies the Seller in writing of any defect.

At the same time, it must be established that defects and shortcomings of the goods are caused through Seller's fault. The term for the repair or replacement of goods is to be agreed by the parties and cannot be less than the main delivery time for goods under the contract.

The property in goods or parts that have been replaced shall pass to the Seller, unless such goods or parts need to be disposed of separately due to, e.g., chemical, biological or nuclear contamination. In such cases, the Buyer shall be responsible for their proper disposal at its own expense.

5.2.2. The direct costs incurred within the scope of repair or replacement under the warranty, shall be for the Seller's account with the proviso that the Buyer's complaint proves to be justified. However, the Seller shall not bear any other costs, e. g. any dismantling and re-assembly costs regarding equipment other than the defective goods. Costs incurred solely because of the fact that the place of use of the shipment is not the same as the contractually agreed destination and such deviation is not in accordance with the designated (typical) use of the goods supplied, are in each case for the Buyer's account.

5.2.3. The Seller shall not be liable under the above warranty, if the Buyer fails to grant the Seller a reasonable period of time and opportunity to carry out the necessary repair or arrange for replacement and carries these out itself or has them carried out by a third party. Only in urgent cases if the operational safety of the equipment is at risk or in order to prevent unacceptably grave damage, in which cases the Seller is to be notified immediately, or if the Seller is in default with respect to remedying a defect, shall the Buyer have the right to remedy the defect or have it remedied by a third party, and to demand reimbursement of the relevant costs incurred by him from the Seller.

5.3. Warranty limitations

5.3.1. The warranty for the goods is terminated and the Seller shall not be liable for any defects caused by:
a) operating conditions other than those in the Seller's instructions, b) unsuitable or improper use or storage, c) improper transportation after goods handover, d) faulty installation or commissioning by the Buyer or any third party, e) improper installation and / or adjustment of the Goods performed by the Customer or a third party, f) fair wear and tear, g) improper or negligent treatment, h) inappropriate maintenance, i) unsuitable equipment, j) defective civil works or unsuitable construction ground, chemical, electrochemical or electrical influences, k) modification or changes to the goods by the Buyer or a third party without the written consent of the Seller.

For manufacture as per Buyer's drawing, the Seller's liability shall be limited to the work performed in accordance with such drawing.

5.3.2. If any repair carried out by the Buyer or by a third party is done improperly, the Seller shall not be liable for any consequences thereof.

5.3.3. The Seller's responsibility for the quality of the rendered services shall cease if such quality defects arise as a result of: a) improper installation and / or adjustment of equipment performed by the Buyer or a third party; b) improper use of equipment; c) modifications or changes to the equipment by the Buyer or a third party without the written consent of the Seller; d) non-observance of the operating conditions in accordance with the manuals and the manufacturer's certificate, as well as related regulatory documents e) improper transportation,

conditions of decommissioning and storage of equipment.

6 Industrial property rights and copyrights; Defects in Title

6.1. Unless agreed otherwise, the Seller delivers the goods in the country of delivery without infringement of third parties' author's rights for the industrial property. If the goods supplied cannot be put to use without infringement of industrial or intellectual property right or copyright, the Seller shall, to its sole discretion, either procure the basic right to the continued use of the goods by the Buyer or modify the goods in such manner as can reasonably be expected from him to enable the Buyer to use the goods without infringement of an industrial or intellectual property right. If this is not possible under economically reasonable conditions or within a reasonable period of time, the Buyer and Seller shall be equally entitled to withdraw from the contract.

If a third party files legally based claims against the Buyer for violation of its industrial property rights, then the Seller undertakes to use all necessary efforts to participate in the settlement of claims, or suits filed against the Buyer and based on the allegation that the goods supplied by the Seller are in direct violation of the registered patent or copyright.

6.2. The above obligations on the part of the Seller shall only exist on the proviso that the Buyer notifies the Seller immediately of any claim made on account of an alleged infringement of industrial or intellectual property rights or copyrights and if the Buyer gives the Seller all reasonable assistance in defending its case and/or enables the Seller to carry out the modification measures as per clause 6.1 hereunder, with the reservation that the Seller can take any protective action the Seller deems necessary, including a settlement out of court, provided the defect of title is not based on an instruction given by the Buyer, and the infringement of the said right(s) was not caused by the Buyer having made unauthorized changes to the goods supplied or having used the goods in a manner not compliant with the contract.

6.3. The Buyer shall assume sole responsibility for all materials it shall provide, such as drawings, calibres, samples or the like. The Buyer shall be responsible for ensuring that the design drawings it provides do not infringe any third-party intellectual property rights. The Seller shall not be liable towards the Buyer for checking whether the submission of offers pursuant to a design provided to the Seller will infringe any third-party intellectual property rights.

In all cases when the Seller is held liable in violation of the third parties' rights through no fault of the Seller, the Buyer shall, at the Seller's request, reimburse the Seller for all legal expenses and other amounts to which it will be awarded by the court, as well as other losses incurred by it, including expenses for legal services (assistance).

7 Liability

7.1. If the goods supplied cannot be used by the Buyer due to a fault of the Seller and if this is caused by the Seller's failure to perform the contract, – then the provisions of clauses 5, 6 and 7 shall apply accordingly, with the exclusion of all further claims.

7.2. If the Buyer suffers a loss due to a delay in delivery of goods and (or) services for reasons within the Seller's control, the Buyer is entitled to demand from the Seller the payment of an exclusive penalty (i.e., only the penalty is allowed, but not damages) in the amount of 0,3% of the cost of the timely delivered goods or not rendered services for each full week of delay, but in total not more than 5% of the cost of the goods that were not delivered on time or the services that were not provided. The Buyer's claims for damages due to delayed deliveries are excluded.

7.3. Notwithstanding any provisions of these Terms the liability of the Seller will be limited to reimbursement of real damage only (lost profits shall not be reimbursed), the amount of liability is established by the Seller separately in each specific case, while the maximum total liability of the Seller, including compensation for damages for non-performance and (or) violation of obligations (including product quality claims) and other illegal actions, regardless of the basis of liability and number of events that have occurred, - is limited to the price of the product / service in respect of which the Buyer has a claim. The Seller is liable for damage only if it is caused by direct intent or gross negligence or based on liability for damage to life or health, as well as in the case of willful or gross default or willful concealment of defects. The Seller shall in no event be liable, whether in the form of an obligation to indemnify or as a result of a breach of contract or otherwise, for any loss of income, profits, expected benefits, opportunity to use, capital expenditures, downtime associated costs, or any further indirect or consequential damages.

The total amount of penalties (fines, forfeit, legal or contractual interest) that can be charged to the Seller for violation of its obligations, incl. for violation of the terms of fulfillment of obligations, shall be maximum 5% (five percent) of the total cost of the goods to be supplied and (or) the services to be provided, in respect of which the Buyer has claims, regardless of the number of events that have occurred. Penalties are exclusive, i.e. only penalties are allowed, but not damages. The Seller shall be liable only if it is at fault. All other claims are excluded.

8 Limitation Period and Restrictive Condition

8.1. The Buyer's claims on the quality of the goods may be filed within the warranty period for goods established by the Seller. Claims for damages and penalties should be filed within the

limitation periods under the law, evidenced and paid by the guilty party, subject to the recognition of the claim or the entry into force of the court decision that imposes the specified sanctions and losses on the guilty party.

9 Compliance and Export Controls

9.1

As laid down in its Code of Conduct, the Seller and its employees are committed to professional and honest behavior, which includes compliance with legal requirements and ethical standards. The Seller expects similar behavior from the Buyer and other business partners. In the event of violations of statutory provisions by the Buyer, especially those involving corrupt or fraudulent acts, the Seller shall be entitled to terminate the contract immediately and without notice. The right to claim damages is reserved by the Seller.

9.2

The Buyer agrees to comply with the relevant statutory regulations for dealing with employees, environmental protection and occupational health and safety, and when carrying out its activities to continuously reduce the adverse effects on human health and the environment.

9.3

The Buyer agrees to comply with all applicable export control regulations and trade restrictions (embargoes) and acknowledges that international sanctions and trade embargoes that have been put in place, issued or amended constitute force majeure circumstances that may apply to the Seller, its affiliates or its sub-suppliers. The Buyer shall immediately inform the Seller if the goods supplied and/or services provided are to be delivered for end use in a country, for a purpose or for an individual subject to export restrictions or embargoes. The same shall apply when such fact becomes known to the Buyer at a later date. The Buyer shall be responsible for obtaining any required export licence unless the Seller has expressly agreed to do so. All deliveries shall, in any case, be made only after the required licence has been issued; all delivery dates will be adjusted accordingly. If any required licence is not issued within a suitable period of time, both Parties shall be entitled to terminate the contract without obligation to pay damages.

10 Use of Software and Documentation

10.1

The Seller shall grant to the Buyer a non-exclusive right to use any software as well as any associated documentation as may be included in the scope of supply. The software shall only be used in or with the goods supplied for which it is intended according to the Seller's specification. Any other uses shall not be permitted.

10.2

The Seller reserves all other rights to the software and associated documentation, industrial property rights and/or copyrights and rights of use relating to its cost estimates, drawings and other documents, including any copies. The Buyer shall not be entitled to grant sub-licences.

10.3

Technical documentation for the goods and other objects of exclusive rights constitute the intellectual property to the Seller and shall remain in the non-exclusive property of the Buyer. In case of violation by the Buyer of any patent rights, rights to a utility model, a registered industrial design, a trademark, as well as copyrights or any other intellectual property rights registered or otherwise existing with the Seller, the Buyer is fully liable to the Seller in accordance with applicable law and international agreements.

11 Applicable Law and Place of Jurisdiction

11.1

All legal relations between the Seller and a Buyer shall be subject to the substantive laws of the Republic of Kazakhstan (applicable law) upon exclusion of conflict of law principles and upon exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of April 11, 1980 (Vienna Convention 1980).

11.2

The claim procedure for settling disputes is mandatory. If the Parties fail to come to an agreement on the disputable issue, the case shall be resolved in the court having jurisdiction at the seat of the Seller.

Limited Liability Partnership «KSB Kazakhstan» (TOO «KSB Kazakhstan»)

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