FLOAUTO (SHANGHAI) CONTROL VALVE CO., LTD.

Precision Flow Control Products · Control Valves · Severe Service Solutions · Actuation

GENERAL STANDARD TERMS AND CONDITIONS OF SALE
AND LIMITED WARRANTY

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This version supersedes all previously published versions, including Version 1.0 (July 2026). The version applicable to any sale is that in effect on the date of FLOAUTO's Quotation.

These General Standard Terms and Conditions of Sale and Limited Warranty ("Terms") are published by **FLOAUTO (Shanghai) Control Valve Co., Ltd.** ("FLOAUTO") and are available for download at www.floauto.cn. They are incorporated by reference into every Quotation, Order Acknowledgement, and sale of Products and Services by FLOAUTO. The Buyer is deemed to have read and accepted these Terms when it requests or accepts a Quotation, issues a Purchase Order, accepts an Order Acknowledgement, takes delivery of Products, or makes payment — whether or not the Buyer signs these Terms. Acceptance of a FLOAUTO Quotation constitutes full agreement to these Terms. Any conflicting or additional terms put forward by the Buyer shall not apply unless expressly accepted in writing by FLOAUTO.

1. DEFINITIONS

"ARO"	After Receipt of Order — the point from which FLOAUTO's manufacturing lead time is counted, as defined in Section 6(b).
"Buyer"	The legal entity (company, corporation, or individual) that purchases Products and/or Services from FLOAUTO, including its successors and permitted assigns.
"CIP"	Carriage and Insurance Paid To — the Incoterms 2020 term under which FLOAUTO contracts and pays for main carriage and cargo insurance to the named place of destination; risk passes to Buyer when Products are handed to the first carrier.
"Contract"	The agreement formed by FLOAUTO's written Quotation, the Buyer's Purchase Order, FLOAUTO's written Order Acknowledgement, and these Terms. All of these documents together form the Contract. Buyer's pre-printed terms and conditions are expressly excluded.
"Delivery Date"	The scheduled date(s) for delivery of Products as specified in the Contract.
"Design Freeze"	The point at which the Buyer has approved FLOAUTO's drawings, data sheets, and ITP and all technical and commercial clarifications have been resolved, after which the design is fixed for manufacture.
"Down Payment" / "DP"	The advance payment stated in the Quotation (standard: thirty percent (30%) of the Price) payable upon FLOAUTO's acknowledgement of the Purchase Order.
"Equipment / Products"	Flow control products — including control valves, isolation valves, severe-service valves, regulators, valve actuators, positioners, associated instrumentation, spare parts, accessories, software, firmware, and related technical documentation — expressly agreed to be supplied by FLOAUTO under the Contract.
"FCA"	Free Carrier — the Incoterms 2020 term under which FLOAUTO fulfils its delivery obligation when Products are handed over to the carrier nominated by Buyer at a named place.
"FLOAUTO"	FLOAUTO (Shanghai) Control Valve Co., Ltd., a limited liability company incorporated in the People's Republic of China, and its authorised agents and representatives.
"FOB"	Free On Board — the Incoterms 2020 delivery term under which FLOAUTO fulfils its delivery obligation when Products are placed on board the vessel nominated by the Buyer at the named port of shipment.

"Incoterms"	The International Commercial Terms published by the International Chamber of Commerce (ICC), 2020 edition, as applicable.
"ITP"	Inspection and Test Plan — the document setting out the inspections, tests, hold and witness points applicable to the Products. Unless otherwise agreed, FLOAUTO's standard ITP applies.
"Party / Parties"	Either FLOAUTO or Buyer individually, or both together.
"PRC"	The People's Republic of China, which for the purposes of these Terms excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan.
"Price"	The total contract price for Products and/or Services as set forth in the Contract.
"Purchase Order" / "P.O."	A written order issued by Buyer to FLOAUTO for the purchase of Products and/or Services.
"Quotation"	A written price quotation issued by FLOAUTO to Buyer, which is valid only for the period stated therein.
"Services"	Commissioning, start-up assistance, site supervision, field service, technical training, and other services expressly agreed to be provided by FLOAUTO under the Contract.
"Software"	Any embedded firmware, configuration tools, or application software supplied by FLOAUTO with or for Products, including all updates.
"Start-up"	The date on which the Products are first placed into normal operational service at the Buyer's installation site.
"Warranty Period"	The period during which FLOAUTO's warranty obligations apply, as defined in Section 10 of these Terms.

2. APPLICATION, INCORPORATION, AND PRECEDENCE

(a) Incorporation and Acceptance: These Terms are incorporated by reference into all Quotations, Order Acknowledgements, and Contracts in which FLOAUTO refers to them, including by a reference in a Quotation to FLOAUTO's General Standard Terms & Conditions of Sale and Warranty available at www.floauto.cn. Acceptance does not require the Buyer's signature; the Buyer accepts these Terms by any conduct recognising the Contract, including requesting or accepting a Quotation, issuing a Purchase Order, accepting an Order Acknowledgement, taking delivery of Products, or making payment. Acceptance of a Quotation constitutes full agreement to these Terms.

(b) Applicable Version: These Terms may be updated from time to time. The version applicable to a given sale is the version published at www.floauto.cn on the date of FLOAUTO's Quotation (or, where there is no Quotation, on the date of FLOAUTO's Order Acknowledgement). Amendments to the published Terms do not apply retroactively to Contracts already concluded.

(c) Precedence and Fallback: Unless FLOAUTO expressly agrees otherwise in writing:

(i) where the Buyer places an order without separate signed terms, these Terms apply in full;

(ii) the specific commercial terms stated on the face of FLOAUTO's Quotation (including validity, lead time, payment terms, Incoterms, and scope notes) shall prevail over these Terms to the extent of any inconsistency;

(iii) these Terms prevail over any conflicting, inconsistent, or additional terms contained in the Buyer's purchase order, standard terms, or other documents, which are hereby rejected, unless FLOAUTO has expressly accepted them in writing;

(iv) where the Buyer and FLOAUTO enter into a separately signed sales contract, these Terms are incorporated into and supplement that contract and shall govern every matter not expressly and comprehensively addressed in it; and

(v) in the event of a direct conflict on a matter that is expressly and comprehensively addressed in such a signed sales contract, that contract shall prevail only as to that specific matter, and these Terms shall continue to apply to all other matters.

(d) Formation: FLOAUTO's Quotations are invitations to treat and do not constitute binding offers. A Contract is formed only upon FLOAUTO's written Order Acknowledgement of the Buyer's Purchase Order. FLOAUTO reserves the right to reject any Purchase Order without liability.

(e) Variation: Any deviation from or modification to these Terms is valid only if agreed in writing and signed by FLOAUTO's authorised representative.

3. SCOPE OF SUPPLY

The scope of Products and/or Services to be provided by FLOAUTO is limited exclusively to that expressly set forth in the Contract. Technical specifications, drawings, data sheets, bills of materials, and other documents furnished with the Quotation describe the Products and are incorporated by reference into the Contract only where expressly stated. Items expressly listed as excluded in the Quotation are outside FLOAUTO's scope and remain the responsibility of the Buyer or its other contractors.

Unless expressly stated in the Contract, the following items are excluded from scope: civil and structural works, electrical installation beyond terminal boxes, third-party integration engineering, calibration gases, consumables, and any items not shown in FLOAUTO's bill of materials.

FLOAUTO reserves the right to supply Products of equivalent or better specification where the originally specified components become unavailable, provided that performance is not materially impacted. FLOAUTO will notify Buyer of any such substitution prior to shipment.

Buyer's Process Data and Basis of Selection: All process data, service conditions, fluid properties, line sizes, and technical specifications on which FLOAUTO's selection, sizing, and design of the Products are based are those finalized and furnished by the Buyer (the "Buyer Data"), including any specification or data sheet referenced in the Quotation. The Buyer warrants that the Buyer Data is accurate, complete, and suitable for the Buyer's intended application, and acknowledges that FLOAUTO is entitled to rely on the Buyer Data without independent verification and has no obligation to audit, validate, or reconstruct it. Any error, omission, or ambiguity in the Buyer Data, any subsequent change to it, and any deviation of actual site conditions from the Buyer Data shall be at the Buyer's sole risk. Products correctly selected, sized, and manufactured in accordance with the Buyer Data shall be deemed to conform to the Contract; any resulting mismatch with actual conditions shall not constitute a defect under Section 10.1, a breach of the performance warranty under Section 10.2, or a failure of fitness for purpose under Section 11, and is excluded from FLOAUTO's warranty obligations and liability. Where such mismatch arises, re-selection, re-sizing, modification, or replacement of Products shall be carried out at the Buyer's cost.

Change Requests after Design Freeze: The quoted Price and lead time are subject to change if the Buyer requests any change after approval of drawings and/or ITP and Design Freeze. Any such change request is valid only when formally documented by a change order in which the commercial and delivery impact has been agreed by both Parties, and acknowledged by the Buyer by way of a revised Purchase Order. FLOAUTO is not obliged to implement any change until such revised Purchase Order is received, and the Delivery Date shall be extended by any delay arising from the change request.

4. QUOTATION VALIDITY, PRICE, AND TAXES

(a) Quotation Validity: Unless otherwise stated in the Quotation, Quotations remain valid for thirty (30) calendar days from the date of issue. After this period, FLOAUTO reserves the right to revise prices, lead times, and other commercial terms.

(b) Contract Price and Currency: The Price for Products and/or Services is set forth in the Contract. All prices are in United States Dollars (USD) unless otherwise stated in the Quotation (CNY/RMB for domestic PRC sales) and are exclusive of any taxes, duties, levies, or other governmental charges unless the Quotation expressly states that they are included.

(c) Taxes & Duties: Buyer shall be solely responsible for all applicable taxes, including without limitation PRC value-added tax (VAT), consumption tax, import duties, customs fees, withholding taxes, and any other governmental charges imposed on the supply, import, or use of Products. Where FLOAUTO is required by law to collect or account for such taxes, they shall be added to the invoice and paid by Buyer. Export sales shall be invoiced in accordance with applicable PRC export VAT and tax-refund regulations.

(d) Currency Fluctuation: Prices are based on exchange rates and raw material costs at the time of Quotation. If delivery is deferred by more than sixty (60) days from the Quotation date due to Buyer's actions, FLOAUTO reserves the right to adjust prices to reflect significant changes in exchange rates or material costs.

(e) Price Escalation: For Contracts with delivery periods exceeding twelve (12) months, FLOAUTO reserves the right to apply a mutually agreed price escalation formula based on applicable steel, copper, nickel, or other relevant commodity indices.

(f) Quantity Basis: Prices quoted are based on the quantities stated in the Buyer's enquiry. Any deviation in the quantity ordered may result in a price adjustment.

(g) ITP Basis: Quoted prices and delivery are based on FLOAUTO's standard Inspection and Test Plan. Any deviation from the standard ITP requested by the Buyer may result in both commercial and delivery impact.

5. TERMS OF PAYMENT

(a) Payment Terms: Payment terms are as stated in the Quotation. Unless otherwise specified, FLOAUTO's standard payment terms are a thirty percent (30%) Down Payment upon FLOAUTO's acknowledgement of the Purchase Order, and

the balance of seventy percent (70%) before delivery. Where credit terms are extended at FLOAUTO's sole discretion, invoices are payable thirty (30) days net from the date of invoice.

(b) Payment Method: All payments shall be made by telegraphic transfer (T/T) to the bank account designated by FLOAUTO. Letters of Credit (L/C) may be accepted where specifically agreed; all banking charges outside the People's Republic of China shall be borne by Buyer.

(c) Late Payment: Overdue invoices shall bear interest at the rate of one point five percent (1.5%) per month (or the maximum rate permitted by applicable law, whichever is lower), accruing from the due date until full payment is received.

(d) Suspension of Performance: Without prejudice to its other rights, FLOAUTO reserves the right to suspend production, withhold shipment, or terminate the Contract if any amount payable by Buyer remains unpaid more than thirty (30) days after its due date. Any delay in payment of the Down Payment or balance shall extend the Delivery Date accordingly.

(e) Set-Off: Buyer shall not be entitled to withhold or set off any amounts due to FLOAUTO against any claim or counterclaim.

(f) Currency: Payment shall be made in the Contract currency. If Buyer pays in a different currency, Buyer shall be responsible for any conversion shortfall.

6. DELIVERY OF PRODUCTS

(a) Delivery Terms: Products are delivered under the Incoterms 2020 term and named place stated in the Quotation (for example, FOB named port of shipment, FCA named place, or CIP named place of destination). Where no term is stated, delivery shall be FOB named port of shipment. Where delivery is on CIP (or CIF) terms, the Price includes main carriage to the named place and cargo insurance covering one hundred and ten percent (110%) of the Price on an all-risk basis (Institute Cargo Clauses (A) or equivalent). Risk of loss or damage to Products transfers to Buyer in accordance with the applicable Incoterms. FLOAUTO reserves the right to make partial shipments.

(b) Lead Time and ARO: Lead times stated in the Quotation are FLOAUTO's manufacturing lead times, expressed in weeks After Receipt of Order (ARO). The ARO period commences only upon satisfaction of both of the following conditions:

(i) formal acknowledgement by FLOAUTO of the Buyer's Purchase Order, with all technical and commercial clarifications resolved (including ITP approval and Design Freeze); and

(ii) confirmation by FLOAUTO of receipt of the Down Payment.

The Delivery Date specified in the Contract is an estimate based on the timely receipt of the Buyer's approved technical inputs, drawing and ITP approvals, and the Down Payment. FLOAUTO shall use commercially reasonable efforts to meet the Delivery Date but shall not be liable for reasonable delays.

(c) Buyer's Obligations: Buyer shall provide all necessary technical information, drawing and ITP approvals, and site readiness within the timelines specified in the Contract. Failure by Buyer to do so shall automatically extend the Delivery Date and shall entitle FLOAUTO to recover additional costs.

(d) Deferred Shipment: If Buyer requests deferral of an agreed shipment, FLOAUTO may, at Buyer's cost, arrange storage, handling, and insurance. Transfer to storage at Buyer's request shall constitute delivery for invoicing and payment purposes.

(e) Title: Title to Products passes to Buyer upon both (i) physical delivery per the applicable Incoterms and (ii) receipt of full payment for such Products. Until title passes, Buyer holds Products as bailee and shall maintain them in good condition and identifiable as FLOAUTO's property.

(f) Delay Liability: In the event of a delivery delay caused solely by FLOAUTO, FLOAUTO's maximum liability shall be liquidated damages at a rate of zero point five percent (0.5%) of the Price of the delayed Products per complete week of delay, subject to a maximum aggregate cap of five percent (5%) of the Price of the delayed Products. This shall be the Buyer's sole and exclusive remedy for delivery delay. No liquidated damages shall accrue for any period by which the ARO start or the Delivery Date has been deferred or extended under these Terms.

7. INSPECTION, TESTING, AND ACCEPTANCE

(a) Factory Acceptance Testing (FAT): Unless otherwise specified, all Products undergo FLOAUTO's standard quality control checks prior to shipment, in accordance with FLOAUTO's standard ITP. Third-party or witnessed FAT may be arranged at Buyer's written request and shall be conducted at Buyer's cost. Additional or non-standard tests, inspections, or hold/witness points are subject to Section 4(g).

(b) Inspection at Delivery: Buyer shall inspect Products promptly upon receipt at the delivery point. Any claims for visible damage, shortage, or non-conformance with the packing list must be submitted to FLOAUTO in writing within ten (10) calendar days of receipt. Failure to do so shall constitute acceptance of the Products as delivered.

(c) Hidden Defects: Claims for defects not apparent upon delivery must be submitted in writing within the Warranty Period and in accordance with Section 10.

(d) Non-Conforming Products: Products found to be non-conforming shall be held by Buyer pending FLOAUTO's inspection and resolution instructions. Buyer shall not return Products to FLOAUTO without prior written Return Merchandise Authorisation (RMA) from FLOAUTO.

8. SOFTWARE LICENSING

Any Software supplied by FLOAUTO with Products is licensed, not sold. FLOAUTO grants Buyer a non-exclusive, non-transferable licence to use the Software solely in conjunction with the Products for which it was supplied. Title to and ownership of all Software, including all intellectual property rights therein, remains at all times with FLOAUTO and/or its licensors.

Buyer shall not: (i) copy, reverse-engineer, decompile, or disassemble the Software; (ii) sublicense, sell, or transfer the Software to any third party; or (iii) modify the Software without FLOAUTO's prior written consent. Any breach of this Section shall automatically void applicable warranty coverage.

9. INTELLECTUAL PROPERTY RIGHTS

(a) FLOAUTO retains all intellectual property rights (including but not limited to patents, design rights, trademarks, trade names, and trade secrets) in Products, Software, drawings, specifications, and technical documentation supplied to Buyer. Nothing in these Terms constitutes a transfer of intellectual property rights.

(b) FLOAUTO shall, at its cost, defend Buyer against any third-party claim that a FLOAUTO-designed Product infringes an existing patent, provided that Buyer (i) notifies FLOAUTO promptly in writing upon becoming aware of the claim; (ii) grants FLOAUTO sole control of the defence; and (iii) provides reasonable assistance. If such infringement is established, FLOAUTO shall, at its discretion, procure a licence for Buyer, replace the infringing part, modify the Product to make it non-infringing, or refund the Price.

(c) FLOAUTO has no liability for infringement claims arising from: (i) Buyer's own designs or specifications; (ii) modifications made by Buyer or third parties; or (iii) use of Products outside the scope specified in the Contract.

10. LIMITED WARRANTY

10.1 Mechanical Warranty

FLOAUTO warrants that Products will be free from defects in design, materials, and workmanship under normal operating conditions, proper installation, maintenance, and use for a period of:

- Eighteen (18) months from the date of shipment from FLOAUTO's facility; or
- Twelve (12) months from the date of Start-up at the installation site;

whichever occurs first (the "Warranty Period"). In no event shall the Warranty Period extend beyond twenty-four (24) months from the date of shipment.

10.2 Performance Warranty

Where the Contract expressly specifies performance criteria (e.g., valve flow capacity (Cv/Kv), seat leakage class, actuator output torque or thrust, or predicted sound pressure level), FLOAUTO warrants only that the Products have been correctly selected, sized, and manufactured to meet such criteria based on, and strictly limited to, the process data, service conditions, and technical specifications finalized and furnished by the Buyer and recorded in the Contract or in the Buyer-approved data sheet (the "Specified Conditions").

The Buyer is solely responsible for the accuracy, completeness, and suitability of the process data and Specified Conditions it provides. FLOAUTO does not warrant, and accepts no responsibility for, the correctness of the Buyer's process data, and the performance warranty is expressly conditional upon the actual operating conditions conforming to the Specified Conditions.

Compliance with the specified performance criteria shall be demonstrated by calculation in accordance with the applicable IEC 60534, ISA, API, or GB standards, and/or by factory or bench testing conducted under the Specified Conditions. Performance shall not be assessed by reference to actual field or site performance, which is dependent on installation, piping, control, and process factors outside FLOAUTO's control. Any performance warranty claim must be raised in writing within sixty (60) days of Start-up and supported by calibrated test data obtained under the Specified Conditions in accordance with the relevant standard or agreed test procedure.

The performance warranty shall not apply, and FLOAUTO shall have no liability, where the actual service conditions deviate from the Specified Conditions, or where the process data or specifications furnished by the Buyer were incomplete, inaccurate, or subsequently changed. In such event, any re-selection, re-sizing, modification, or replacement of Products shall be carried out at the Buyer's cost.

10.3 Warranty Remedies

Upon receipt of a valid warranty claim, FLOAUTO shall, at its sole discretion and cost, choose to:

- Repair the defective Product or component; or
- Replace the defective Product or component with a new or remanufactured equivalent;

as FLOAUTO's sole and exclusive warranty obligation. Repaired or replaced items shall carry a new warranty equal to the lesser of: (i) the original Warranty Period or (ii) twelve (12) months from the date of repair or replacement, but in no case extending the total warranty beyond thirty (30) months from original shipment.

10.4 Warranty Claim Procedure

To submit a warranty claim, Buyer must:

- Notify FLOAUTO in writing within the Warranty Period, describing the defect in detail;
- Provide photographic or other evidence of the defect;
- Provide the original Product serial number, purchase order reference, and date of Start-up;
- Allow FLOAUTO reasonable opportunity to inspect the Product in-situ or at FLOAUTO's facility;
- Ship the defective Product to FLOAUTO's designated service centre (if required), freight pre-paid by Buyer, with a valid RMA number issued by FLOAUTO.

Return shipping costs for repaired or replaced Products under warranty shall be borne by FLOAUTO. No warranty work shall be undertaken without FLOAUTO's prior written RMA approval.

10.5 Warranty Exclusions

The warranty set out in this Section 10 shall not apply to, and FLOAUTO shall have no liability for, defects, damages, or failures arising from or relating to:

- Normal wear and tear, including erosion, corrosion, or scaling under expected operating conditions;
- Consumable items (seals, packings, seats, diaphragms, gaskets, batteries) with a service life shorter than the Warranty Period;
- Improper installation, commissioning, operation, or maintenance not in accordance with FLOAUTO's product manuals and instructions;
- Use of Products outside the rated pressure, temperature, fluid, or other parameters specified in the Contract;
- Modifications, repairs, or disassembly performed by Buyer or any third party without FLOAUTO's prior written consent;
- Damage during transport, storage, or handling after delivery to Buyer;
- Use of non-FLOAUTO-approved spare parts, lubricants, or accessories;
- Acts of God, fire, flood, lightning, corrosive environments beyond specification, or other causes beyond FLOAUTO's control;
- Connection to media, fluids, or process conditions other than those specified in the Contract.

10.6 Exclusion of Other Warranties

THE WARRANTIES IN THIS SECTION 10 ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY FLOAUTO. ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

11. LIMITATIONS OF LIABILITY

(a) FLOAUTO's total cumulative liability to Buyer under or in connection with the Contract, whether arising in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no event exceed ten percent (10%) of the Price of the Products or Services giving rise to the claim.

(b) IN NO EVENT SHALL FLOAUTO BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE LOSS OR DAMAGE, INCLUDING WITHOUT LIMITATION: LOSS OF PRODUCTION, LOSS OF REVENUE, LOSS OF PROFIT, LOSS OF CONTRACTS, LOSS OF ANTICIPATED SAVINGS, PLANT SHUTDOWN, DOWNTIME, ENVIRONMENTAL REMEDIATION COSTS, OR CLAIMS BROUGHT BY THIRD PARTIES, REGARDLESS OF WHETHER FLOAUTO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) The limitations of liability in this Section shall not apply to (i) death or personal injury caused by FLOAUTO's gross negligence or wilful misconduct, or (ii) fraud or fraudulent misrepresentation by FLOAUTO.

(d) Buyer is responsible for ensuring that Products are suitable for the intended application. FLOAUTO's liability for fitness-for-purpose is limited to compliance with the performance criteria expressly stated in the Contract.

12. FORCE MAJEURE AND EXCUSABLE DELAY

(a) Force Majeure Events: Neither Party shall be liable for any delay in or failure to perform its obligations under the Contract (other than an obligation to pay money already due) to the extent caused by any event or circumstance beyond its reasonable control (a "Force Majeure Event"), whether or not such event or circumstance was foreseeable at the date of the Contract. Force Majeure Events include, without limitation: acts of God; war, terrorism, insurrection, or civil commotion; government acts, orders, sanctions, embargoes, or changes in law; epidemic, pandemic, or other public-health emergency, and any quarantine, lockdown, movement-control, factory-closure, testing, or other measure imposed by any authority or reasonably adopted on public-health grounds in connection therewith; fire, explosion, or flood; strikes or labour disputes (other than involving the affected Party's own workforce); labour or personnel shortage, absenteeism, or unavailability; shortage, unavailability, or delay of raw materials, components, energy, transport, shipping containers, vessels, or freight capacity, or any abnormal increase in their cost; closure, congestion, or restriction of ports, airports, roads, or borders; delay or default of suppliers or subcontractors arising from any of the foregoing; and interruption or failure of utilities or telecommunications.

(b) Relief and Extension of Time: The affected Party's obligations shall be suspended for the period of the Force Majeure Event, and the time for performance (including any Delivery Date) shall be extended by a period at least equal to the delay caused. Where FLOAUTO is the affected Party, no liquidated damages or other liability for delay (including under Section 6(f)) shall accrue in respect of any delay caused by a Force Majeure Event.

(c) Notice and Mitigation: The affected Party shall notify the other in writing as soon as reasonably practicable, describing the Force Majeure Event and its likely effect and duration, and shall use commercially reasonable efforts to mitigate its effects and to resume performance. Neither Party shall be required to settle a strike or labour dispute, or to procure substitute materials, transport, or freight capacity, on terms it considers unreasonable or at materially increased cost.

(d) Allocation of Scarce Supply: Where a Force Majeure Event limits FLOAUTO's available production capacity, materials, or transport, FLOAUTO may allocate them among its customers and its own requirements in any manner it considers fair and reasonable, without liability. Where Products are complete but cannot be shipped due to a Force Majeure Event, FLOAUTO may, at the Buyer's cost, place them into storage, whereupon such Products shall be treated as delivered for the purposes of invoicing, payment, and the passing of risk.

(e) Increased Cost: Where a Force Majeure Event or other event beyond FLOAUTO's reasonable control materially increases FLOAUTO's cost of performance (including the cost of materials, energy, or freight), the Parties shall negotiate in good faith an equitable adjustment to the Price and/or the Delivery schedule. Failing agreement within thirty (30) days of FLOAUTO's request, FLOAUTO may defer the affected deliveries for the duration of the event or, where the cost increase is substantial, terminate the affected part of the Contract by written notice without liability, in which case the Buyer shall pay for all Products delivered and work performed up to the date of termination.

(f) Prolonged Force Majeure: If a Force Majeure Event continues for more than ninety (90) consecutive days, either Party may terminate the Contract (or the affected part) by written notice without further liability, except that the Buyer shall pay for all Products already shipped or ready for shipment and all Services already performed.

13. INDEMNIFICATION

Each Party agrees to indemnify, defend, and hold harmless the other Party and its officers, directors, employees, and agents from and against any claims, losses, damages, and expenses (including reasonable legal fees) to the extent arising from:

- Any death, personal injury, or tangible property damage caused by the indemnifying Party's own negligence or wilful misconduct;
- The indemnifying Party's breach of any applicable law or regulation.

Buyer shall indemnify FLOAUTO against all claims, losses, and expenses arising from: (i) Buyer's installation, operation, or maintenance of Products in a manner not in accordance with FLOAUTO's instructions; (ii) Buyer's modifications to Products; or (iii) use of Products in applications or environments not specified in the Contract.

14. CANCELLATION AND TERMINATION

(a) By Buyer for Convenience: Buyer may cancel a confirmed Purchase Order only with FLOAUTO's prior written consent. Upon cancellation, Buyer shall pay FLOAUTO a cancellation charge covering: (i) all costs incurred to date, including materials procured, labour, and engineering; (ii) cancellation charges levied by FLOAUTO's sub-suppliers; and (iii) a reasonable allocation of overhead and profit. Cancellation charges may be up to one hundred percent (100%) of the Price for Products in advanced stages of manufacture.

(b) By Either Party for Cause: Either Party may terminate the Contract immediately by written notice if the other Party: (i) is declared insolvent, bankrupt, or enters into receivership, liquidation, or an equivalent proceeding; (ii) commits a material breach that remains uncured for more than thirty (30) days after written notice; or (iii) is subject to a Force Majeure Event exceeding ninety (90) days.

(c) Effect of Termination: Upon termination, FLOAUTO shall cease performance and Buyer shall pay for all Products delivered or Services rendered up to the termination date, plus any applicable cancellation charges. FLOAUTO shall retain title to any Products not yet paid for in full.

15. CONFIDENTIALITY

Each Party agrees to keep confidential all proprietary and non-public information of the other Party disclosed in connection with the Contract, including technical data, specifications, pricing, drawings, and business information ("Confidential Information"). Each Party shall use Confidential Information solely for the purpose of performing its obligations under the Contract and shall not disclose it to any third party without the prior written consent of the disclosing Party, except as required by applicable law or court order.

These confidentiality obligations shall survive the termination or expiry of the Contract for a period of five (5) years. FLOAUTO's product designs, proprietary valve and actuator technologies, and manufacturing processes constitute trade secrets of FLOAUTO and shall be protected accordingly.

16. TRADE COMPLIANCE, EXPORT CONTROLS, AND SANCTIONS

Products supplied by FLOAUTO may be subject to export control laws and regulations of the People's Republic of China (including the Export Control Law of the PRC), the United States, the European Union, and other applicable jurisdictions. Buyer shall be solely responsible for obtaining all required import and export licences, permits, and approvals and for complying with all applicable trade compliance laws and regulations in connection with the purchase, re-export, and end-use of Products.

Buyer represents and warrants that it is not (and no end-user or ultimate consignee of the Products is) a person or entity designated on any applicable sanctions or restricted-party list, including those maintained by the United Nations Security Council, the competent authorities of the People's Republic of China, the U.S. Office of Foreign Assets Control (OFAC) and Bureau of Industry and Security (BIS), or the European Union. FLOAUTO reserves the right to suspend or cancel any order upon learning of a potential sanctions or export-control concern.

Buyer shall not resell or re-export Products to any country, entity, or person subject to trade sanctions or export restrictions without first obtaining all required approvals and notifying FLOAUTO. Buyer indemnifies FLOAUTO against all penalties, fines, and losses arising from Buyer's failure to comply with this Section.

17. GOVERNING LAW AND DISPUTE RESOLUTION

(a) Governing Law: These Terms and any Contract shall be governed by and construed in accordance with the laws of the People's Republic of China (for these purposes excluding Hong Kong, Macau, and Taiwan), without regard to its conflict of laws principles. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

(b) Amicable Resolution: In the event of any dispute, controversy, or claim arising out of or in connection with the Contract, the Parties shall first attempt to resolve the dispute amicably through good-faith negotiations between senior representatives of the Parties within thirty (30) days of written notice of the dispute.

(c) Arbitration: If the Parties are unable to resolve the dispute amicably within thirty (30) days (or such longer period as may be agreed), the dispute shall be finally resolved by arbitration administered by the China International Economic and Trade Arbitration Commission (CIETAC) in accordance with its Arbitration Rules in force at the date of commencement of the arbitration. The seat of arbitration shall be Shanghai, PRC. The arbitral tribunal shall consist of one (1) arbitrator, or three (3) arbitrators for claims exceeding USD 500,000, appointed in accordance with the CIETAC Rules. The language of the arbitration shall be English, unless otherwise agreed. The arbitral award shall be final and binding on both Parties.

(d) Interim Relief: Nothing in this Section shall prevent either Party from seeking urgent interim or conservatory relief from a court of competent jurisdiction.

(e) Limitation Period: No action or claim arising from the Contract may be commenced more than two (2) years after the date on which the cause of action arose, or such longer period as may be mandatorily required by applicable PRC law.

18. GENERAL PROVISIONS

(a) Entire Agreement: These Terms, together with the Contract documents expressly incorporated herein, constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations, representations, and agreements.

(b) Amendment: No amendment, modification, or waiver of these Terms shall be valid unless made in writing and signed by an authorised representative of FLOAUTO.

(c) Assignment: Buyer may not assign or transfer any of its rights or obligations under the Contract without FLOAUTO's prior written consent. FLOAUTO may assign its rights to any affiliate or in connection with a business restructuring.

(d) Waiver: Failure by either Party to enforce any right or provision shall not constitute a waiver of future enforcement of that right or provision.

(e) Severability: If any provision of these Terms is held to be invalid or unenforceable by a court or arbitrator of competent jurisdiction, the remaining provisions shall remain in full force and effect.

(f) Notices: All notices under the Contract shall be in writing and delivered by courier, registered mail, or email (with read receipt) to the addresses stated in the Contract. Notices are effective upon receipt.

(g) Permits and Licences: Buyer is responsible for obtaining all licences, permits, and approvals required for the purchase, import, installation, and operation of Products at the project site.

(h) Anti-Bribery: Each Party warrants that it has not offered, promised, paid, or authorised any bribe, kickback, or improper inducement to any person in connection with the Contract and that it will comply with all applicable anti-corruption and anti-bribery laws, including the PRC Criminal Law provisions on bribery and the PRC Anti-Unfair Competition Law, and, where applicable to the transaction, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act.

(i) Language: These Terms are published in English and Chinese. In the event of any inconsistency between the two language versions, the English version shall prevail, save where PRC law mandatorily requires the Chinese version to govern.

(j) Counterparts: The Contract may be executed in counterparts, each of which shall be deemed an original.

FLOAUTO (SHANGHAI) CONTROL VALVE CO., LTD.

LIMITED PRODUCT WARRANTY

PUBLISHED WARRANTY TERMS

Document Reference: FS-WR-001 (Web Edition) | Version 1.1 | November 2026

FLOAUTO Control & Isolation Valves	FLOAUTO Actuation & Accessories
▪ Control valves (globe, angle, three-way, rotary)	▪ Pneumatic actuators (spring-return & double-acting)
▪ Severe-service & anti-cavitation trim valves	▪ Electric actuators (multi-turn & quarter-turn)
▪ Ball valves (severe service & standard)	▪ Valve positioners & smart controllers
▪ Gate, globe & check valves	▪ Integrated actuator control units
▪ Butterfly valves (high-performance & resilient-seated)	▪ Remote I/O & accessory modules
▪ Plug valves (lubricated & sleeved)	▪ Valve-actuator assemblies (valve + actuator)
▪ Knife gate valves	▪ Approved spare parts & accessories
▪ Pressure regulators & self-operated valves	

W1. WARRANTY COVERAGE SUMMARY

Parameter	Valves	Actuation
Standard Warranty Period	18 months from shipment or 12 months from Start-up (whichever is earlier)	18 months from shipment or 12 months from Start-up (whichever is earlier)
Maximum Warranty Cap	24 months from shipment	24 months from shipment
Scope of Coverage	Body, trim, seats, actuator interface, pressure-retaining parts	Motor, gearbox, housing, wiring harness, control board
Remedy	Repair or replacement (FLOAUTO's discretion)	Repair or replacement (FLOAUTO's discretion)
Extended Warranty Available	Yes — up to 36 months; quoted separately	Yes — up to 36 months; quoted separately

W2. WARRANTY TERMS AND CONDITIONS

W2.1 What is Covered

FLOAUTO warrants that its valves and actuators will be free from defects in materials and workmanship, and will perform in accordance with the published product specifications, under normal use and operating conditions within the rated parameters for the Warranty Period.

W2.2 What is Not Covered

This warranty does not cover:

- Seals, seats, packings, gaskets, O-rings, diaphragms, stem packing, filters, lubricants, and batteries (consumable items);
- Corrosion, scaling, erosion, or cavitation damage resulting from fluid characteristics not disclosed at time of order;
- Damage caused by improper storage conditions (e.g., exposure to moisture, salt air, corrosive atmosphere) after delivery;
- Damage during customer-arranged transportation or installation;
- Failure due to supply voltage fluctuations, electrical surges, or incorrect electrical wiring (for electric actuators);
- Products that have been disassembled, modified, or repaired by persons not authorised by FLOAUTO;
- Damage resulting from operation outside rated torque, pressure, temperature, or duty-cycle limits;
- Software or firmware modifications made without FLOAUTO's written approval;
- Indirect, consequential, or special damages of any kind.

W2.3 How to Make a Warranty Claim

Step 1 — Contact FLOAUTO: Email sales@floauto.cn with subject line "WARRANTY CLAIM — [Product Serial No.]".

Step 2 — Provide the following information:

- Product model and serial number (found on product nameplate)
- Original FLOAUTO invoice or purchase order number
- Date of shipment and date of Start-up
- Description of the defect and operating conditions
- Photographs or videos of the defect

Step 3 — Await RMA: Do not return any Product without a written Return Merchandise Authorisation (RMA) number from FLOAUTO.

Step 4 — Ship Product (if required): Ship the defective Product freight pre-paid to the FLOAUTO service centre designated in the RMA instructions, with the RMA number clearly marked on the outer packaging.

Step 5 — Assessment and Resolution: FLOAUTO will assess the returned Product within fifteen (15) business days of receipt and notify Buyer of the outcome. Warranty repairs or replacements will be shipped freight-paid by FLOAUTO.

W2.4 Extended Warranty

Extended warranty coverage beyond the standard Warranty Period may be purchased from FLOAUTO prior to or at the time of order, covering up to thirty-six (36) months from the date of shipment. Extended warranty terms are set out in a separate Extended Warranty Certificate issued by FLOAUTO.

W2.5 Limitation

THE REMEDIES DESCRIBED IN THIS WARRANTY ARE THE BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR PRODUCT DEFECTS. FLOAUTO'S LIABILITY UNDER THIS WARRANTY IS LIMITED TO THE REPAIR OR REPLACEMENT OF THE DEFECTIVE PRODUCT AND SHALL IN NO EVENT EXCEED THE ORIGINAL PURCHASE PRICE OF THE DEFECTIVE PRODUCT.

ACCEPTANCE OF THESE TERMS

These Terms are published for reference and are incorporated by reference into FLOAUTO's Quotations and sales. No signature is required for them to apply. By requesting or accepting a Quotation, issuing a Purchase Order, accepting an Order Acknowledgement, taking delivery of Products, or making payment, the Buyer accepts these Terms and the Limited Warranty. Where the Buyer contracts on its own documents, these Terms apply as set out in Section 2 (Application, Incorporation, and Precedence).

FLOAUTO (Shanghai) Control Valve Co., Ltd. · Shanghai, People's Republic of China
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