



Pars Flame Controls[®]
— Safety & Reliability —

GENERAL TERMS and CONDITIONS OF SALE and SUPPLY

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1. DEFINITIONS

PARS FLAME CONTROLS, also known as PFC, with registered office in Tehran, IRAN, hereinafter known as the SUPPLIER.

THE CUSTOMER, who purchases goods and services from the SUPPLIER, is hereinafter known as the PURCHASER.

- The SUPPLIER is a Company dedicated to manufacturing and marketing components for the household appliances industry
- The PURCHASER is interested in purchasing parts from the SUPPLIER for use in its domestic appliances.
- The Conditions of Sale and Supply contained in this document apply to the trading operations between the parties.
- The Purchaser accept these conditions by signing this contract clearly.

2. APPLICATION

These general conditions are the only ones that apply for modifying Sales operations between the SUPPLIER and the PURCHASER, excluding in cases where other written Agreements exist that have been signed by the Parties. By this, it means:

- If, in the Agreement signed by the parties and in force, there are articles that come into misunderstanding and conflict with those contained in these Conditions, the articles contained in the Agreements in force signed expressly by the Parties will come into priority.
- If, in the Agreements signed by the parties and in force, there are none of the Conditions contained herein, the latter shall apply.

It should be noted that the when the PURCHASER has made an order, it is therefore satisfactory for both parties to accept all the General Conditions of sales in this agreement and that accepting them in full, except in the case mentioned above.

3. SCOPE OF APPLICATION

These conditions will apply for all of the products and components manufactured or marketed by the SUPPLIER, irrespective of the place where they were manufactured or sold.

4. DOCUMENTATION AND CONFIDENTIALITY

All documentation of sales that are delivered by the SUPPLIER to the PURCHASER and vice versa will be considered as confidential information and should not be available to any third parties without prior authorisation from the other Party. These are including:

- The subjects relating to the products and its specifications
- Drawings
- Functionality of products
- Technical data sheets
- Commercial relations
- Plans of delivery
- Quality certificates
- Contract offers
- Price list

5. Orders and Specifications

- 5.1. The act of sale is effective after acceptance by the SUPPLIER of the order submitted by the PURCHASER.
- 5.2. Offers and quotations do not constitute a contract and are of no contractual value.
- 5.3. No order submitted by the PURCHASER shall be deemed to be accepted by the SUPPLIER unless and when confirmed in writing by the SUPPLIER.
- 5.4. Verbal agreements or arrangements with the SUPPLIER's employees shall only be binding unless and when they are confirmed in writing by the SUPPLIER.
- 5.5. In order to be legally effective, declarations of acceptance and all orders require written confirmation from the SUPPLIER (order confirmation) or written confirmation by email (Company email address) and/or fax (Company Fax Number) are sufficient. All order acceptance are given exclusively on the basis of these General Terms and Conditions of Sale and Delivery.
- 5.6. The PURCHASER is responsible with regards to the accuracy of the order, and shall attach the followings factors to this Agreement:
 - 5.7. Quantity of the order
 - 5.8. Quality certifications
 - 5.9. Description of any specification for the goods
 - 5.10. Confirmed drawings by both parties
 - 5.11. Date of each of delivery
- 5.12. and the PURCHASER is responsible for providing the SUPPLIER with any necessary information regarding the goods ordered within a reasonable time for the order to be manufactured in accordance with the contract.
- 5.13. Revocation and cancellation of an order already sent by the PURCHASER and confirmed by the SUPPLIER shall be inadmissible. Changes in the terms of order (quantity, reference or technical specifications) shall only be admissible within 5 working-days after the order confirmation has been sent by the SUPPLIER.

6. PURCHASE PRICE

The prices and the payment terms should be followed according to the following statements:

- 6.1. If SUPPLIER's prices or its terms of payment are generally altered between the date of contract and delivery, the SUPPLIER may apply the price or the terms of payment in effect on the date of delivery.
- 6.2. The SUPPLIER reserves the right, after timely notification of the PURCHASER and prior to delivery of the goods, to increase the price of the goods as required by general price developments beyond its control (such as exchange rate fluctuations, currency regulations, changes in custom duties).
- 6.3. In the event of a price increase, or modifications taking place, PURCHASER is entitled to withdraw from the contract by giving notice to SUPPLIER within 7 working- days after notification of the price increase, and any remaining of previous orders shall be delivered to PURCHASER on the basis of agreed prices.
- 6.4. The PURCHASER will be responsible for any licence, tax, fee, customs duty and other official authorisations that may be necessary as a result of the dispatch and delivery of the goods.
- 6.5. Unless otherwise stated in the order confirmation or unless otherwise agreed in writing between the SUPPLIER and the PURCHASER, all prices quoted by the SUPPLIER are on an "ex-work" basis.
- 6.6. The offers, prices and conditions of sale sent by the SUPPLIER will be valid until further communication from the SUPPLIER, and the SUPPLIER reserves the right to modify these conditions when it consider this applicable.

7. PAYMENT TERMS

7.1. Payments will be made on time, on the due dates of the invoices and for the full amount, to the bank account indicated in the order form for this purpose by the SUPPLIER.

7.2. Payments should only be made by bank transfer; bills of exchange will not be accepted as fulfillment of the payment obligation.

7.3. It may be agreed between the contracting parties that the PURCHASER shall open a documentary letter of credit through its bank (or another bank acceptable to the SUPPLIER). In this individual case, it is specified that the letter of credit shall be opened in accordance with the Uniform Customs and Practice for Documentary Credits, 2006 Revision, ICC Publication No. 600.

7.4. If the payment deadline is exceeded (default), the SUPPLIER shall charge interest at a rate of (12) Twelve percentage points above the respective base rate. Interest is calculated and debited at the end of each month.

7.5. Failure by the PURCHASER to pay invoices that are due and payable, after being requested in writing on up to Two occasions, will give the SUPPLIER the right to terminate the contract, suspend or limit the orders in process until the full amount pending is met, without prejudice to any other legal action that the SUPPLIER may take.

7.6. The PURCHASER will not deduct any amount from the payments for claims, delays, items not delivered, transport, quality, etc., except where the compensation has been expressly agreed in writing by the SUPPLIER.

7.7. The goods delivered by the SUPPLIER remain the property of the SUPPLIER ("Retained Goods") until all outstanding claims arising from the joint business relationship, including interest and costs, have been settled in full.

7.8. In the event of partial or complete non-payment, the PURCHASER undertakes not to place a lien on the goods that are subject to sale and to meet the SUPPLIER's return requirements, paying all expenses in the event of loss of Value, logistics and customs costs where applicable.

8. CONDITIONS OF DELIVERY

8.1. The delivery of goods are agreed in writing between the parties or expressly detailed in the offer issued by the SUPPLIER. In addition, the contracting parties agree that the deliveries of the products and components will be made according to Incoterms 2000, DDU, to the PURCHASER's warehouses, with the payment of invoice agreement.

8.2. The time of delivery is to be agreed in more detail between the contracting parties and specified by the SUPPLIER in the order confirmation. The agreed delivery period begins upon receipt of the order confirmation, but not prior to the provision of the documents, approvals, and releases to be procured by the PURCHASER. If an agreed delivery date is exceeded, the PURCHASER grants the SUPPLIER a reasonable period of grace.

9. Transfer risk

9.1. The risk of damage to or loss of goods, insofar as the goods are not delivered at the SUPPLIER's business premises, passes to the PURCHASER at the latest at the point in time at which the SUPPLIER has delivered the goods to the forwarding agent, carrier or other person entitled to carry out the shipment; if the PURCHASER is in default of acceptance, at the point in time at which the SUPPLIER offers to hand over the goods.

9.2. Notice of claims arising out of damage in transit must be lodged by PURCHASER directly with the carrier within the period specified in the contract of carriage and SUPPLIER shall be provided with a copy of thereof.

10. PURCHASER'S COMMITMENTS

The PURCHASER shall respect to the SUPPLIER with the followings:

- 10.1. Accept the goods made available in the conditions established in clause 5.5.
- 10.2. Promptly pay the invoices issued by the SUPPLIER.
- 10.3. Provide the cooperation necessary in each case.
- 10.4. Fulfil the rest of the commitments undertaken in these Conditions in the Trading operations that take place between the Parties.
- 10.5. The correct use of products and components according to the SUPPLIER instruction.

11. SUPPLIER'S COMMITMENTS

Without prejudice to what the parties may agree in other contracts that they sign, from the moment of signing this contract, the SUPPLIER undertakes with respect to the PURCHASER to make available the corresponding goods in the orders accepted and confirmed by the SUPPLIER in the Conditions established in this document. The delivery plan shall be attached to this document for production and delivery plans.

12. DEVELOPMENT AND MODIFICATION OF PRODUCTS

The SUPPLIER is the owner of the designs for the products and components that it sells or markets. The PURCHASER may require modifications that do not undermine the functionality or the quality of its products. The process of modification will not be without the express authorisation of the PURCHASER. These modifications will always conform with the standards and regulations that apply to the products for their in household appliances and meeting the technical specifications of the product.

13. SUPPLY AND SHIPMENT OF GOODS

The supply and shipment of the goods are carried out according to the following terms:

- 13.1. The SUPPLIER will inform the PURCHASER about the delivery periods for the products subject to Sale and Supply which is counted from the receipt of order by the SUPPLIER.
- 13.2. Once the order has been received by the SUPPLIER, the PURCHASER will not be able to cancel or modify its contents unless agreed in written by SUPPLIER.
- 13.3. In the event of regular supplies, if the PURCHASER uses a regular electronic ordering system such as email and such, with information about delivery forecasts and confirmations, the following responsibilities are recognised:
 - 13.3.1. The SUPPLIER will use the information from the forecasts to obtain stocks of materials and manufacture the products that subject to sale.
 - 13.3.2. The SUPPLIER will use the information from the closed order, delivery confirmation or call off to issue the goods.
 - 13.3.3. In the event that the PURCHASER refrains from purchasing an item, significantly reduces its consumption or changes it completely, it will have to inform the SUPPLIER in writing with notice of Fifteen Working Days.

In the event of failure to comply with what is stated in the latest point, the SUPPLIER may claim back from the PURCHASER either:

- The amount corresponding to an order for the amount necessary to use up all of the goods in stock, OR:
- The financial compensation equivalent to scrapping the specific raw materials of the goods that are subject to sale for which consumption has dropped.

13.4. In the event that it is agreed that transport will be the responsibility of the SUPPLIER, the transportation will be hired, unless an urgent transport is necessary which the PURCHASER will be responsible for.

14. SUPPLIER'S LIABILITY

The supply liability are defined in this Contract according to the following terms:

14.1. In the event of failure to comply with the delivery periods due to reasons attributable to the SUPPLIER, the PURCHASER may ask for compensation in the form of a maximum sum of 0.1% of the value of the delayed supply for each complete week of delay. This will be counted from one week after the date confirmed by the SUPPLIER. This penalty may not in any case exceed 2% of the value of the products or components that are delayed in shipment.

14.2. The maximum amount for which the SUPPLIER will be liable for all items subject to compensation attributed to it for any reason and excluding any other compensation will be 2% of:

14.3. Sales of all specific items sold that are the subject of a claim and for a maximum period of one year.

14.4. Under no circumstances will the SUPPLIER be liable for financial losses, loss of profit and other indirect costs that may have claimed by the PURCHASER.

14.5. In the event that, in the opinion of the SUPPLIER, the products subject to sale present any defect that involves a risk for the safety of users and the goods have already been made available to the PURCHASER, the SUPPLIER will be appreciative to provide replacement the products. This will be carried out at the decision of the SUPPLIER, who will accept the costs of this intervention corresponding to replacement of materials, labour, packing, and transport.

In such cases, the SUPPLIER may determine, at its own carefulness, to reject the defect that was detected, select the material affected or supply the PURCHASER free of charge with components free from any defect.

15. WARRANTY

The warranty of the products are agreed according to the following terms:

15.1. The SUPPLIER guarantees its products during the time and with the exception stated below, against design defects, or any defects in the materials that is used, and any defects in the manufacturing production processes that have an impact on the result of the products or components that are delivered to the PURCHASER.

15.2. The warranty period will start from the date of receipt of the goods by the PURCHASER and will last for 12 months. The PURCHASER shall inform the SUPPLIER of the problems identified in the product within 21 days from the time when they are found.

15.3. The SUPPLIER accepts no responsibility for defects in the goods which are due to a description of the goods or specification by the PURCHASER. The SUPPLIER is not liable for any defects resulting from incorrect installation or use by the PURCHASER or other misuse by the PURCHASER contrary to the SUPPLIER's instruction.

15.4. To accept the defective goods by SUPPLIER, it is the right of SUPPLIER to send its representative to confirm the defected goods prior of shipping back the goods to the SUPPLIER. A report confirming by both parties shall be signed prior of call-backs confirming the defected products.

15.5. Insofar as the delivered goods are defective, the SUPPLIER shall, at its will, remedy the defect or deliver new goods free of defects (subsequent performance). The SUPPLIER is always be given the opportunity to remedy the defect within a reasonable period of time. The expenses necessary for the purpose of subsequent performance, in particular, transport, material and labour costs, are borne by the SUPPLIER, provided that the expenses are not increased by the fact that the delivered goods have been taken to a place other than the place of performance.

15.6. If replacement delivery is unsuccessful or if the rectification of defects fails after two attempts at subsequent performance, the PURCHASER is entitled to withdraw from the contract or to reduce the remuneration.

16. PRODUCT DEFECTIVENESS

In case of product defectiveness, the following terms are dominated:

16.1. During the warranty period, following selection of the products indicated as defective by the PURCHASER, the SUPPLIER will repair, replace or supply any product recognised as defective by the SUPPLIER as long as it does not comply with its functionality, the regulations and standards that apply or with the technical specification of the products. The PURCHASER will have no right any further compensation.

16.2. Selection from among the various options provided in the previous paragraph will correspond exclusively to the SUPPLIER.

16.3. The defective product replaced in accordance with this clause will be made available to the SUPPLIER:

16.4. The following are scenarios are not covered from this warranty:

16.4.1. Any product damaged by normal wear and tear, negligent handling not in line with the product's safety or technical regulations, insufficient supervision and any type of negligence on the part of the Purchaser.

16.4.2. Faults and/or defects caused by defective handling and/or assembly or installation by the PURCHASER or due to modifications or repairs carried out without written agreement from the SUPPLIER.

16.4.3. Defects caused by materials, fluids, energy or services used by the PURCHASER or those caused a design imposed by it.

16.4.4. Breakdowns that occur due to unforeseen circumstances, force majeure (atmospheric or geological phenomena) and losses or any other type of natural catastrophe.

16.4.5. As a general rule, any indirect damage, consequences and/or collateral damage.

17. PROHIBITING OF SUPPLIER'S LIABILITY

17.1. The SUPPLIER will not allow any claims for loss, damage or any other claim not provided for in this agreement, unless expressly agreed in writing.

17.2. A reason of prohibiting of the SUPPLIER's liability lies in faults or defects in the products or components resulting from failure by the PURCHASER to procedure of handling, installation and maintenance of the product.

17.3. The SUPPLIER will not respond in any case to the PURCHASER for claims derived from damage caused by the latter to third parties.

17.4. The SUPPLIER will not respond for defects or product losses when the product conforms to its functionality and is suitable for the use planned by the SUPPLIER and fulfils with the product's technical specifications.

17.5. The SUPPLIER will not in any case be liable for financial losses, damage to assets, loss of profit and other indirect costs tolerated by the PURCHASER because of imperfect supply.

18. REFUSAL OF SALE OR SUPPLY

The SUPPLIER may refuse to fill orders from the PURCHASER that are pending supply or to execute new orders in the following cases:

18.1. Due to failure by the PURCHASER to comply with any of the obligations assumed in these Contract conditions.

18.2. Due to permission to proceed with any type of bankruptcy proceedings, liquidation or suspension of payments that may affect the PURCHASER.

19. Force Majeure

19.1. If for reasons for which the SUPPLIER is not responsible, the SUPPLIER does not receive deliveries or services from the SUPPLIER's sub-suppliers for the performance of its contractual delivery or services, despite proper and sufficient coverage prior to the conclusion of the contract with the PURCHASER in accordance with the quantity and quality from the delivery and service agreement with PURCHASER, or does not receive such deliveries or services properly or in a timely manner, or if events of force majeure of not insignificant duration (longer than 14 calendar days) occur, the SUPPLIER shall inform the PURCHASER in a timely manner in writing or text form. In this case, the SUPPLIER is entitled to postpone the delivery for the duration of impediment or to withdraw from the contract in whole or in part due to the part not yet fulfilled, provided that the SUPPLIER has complied with its aforementioned duty to inform. And the has not assumed the procurement risk of a delivery guarantee.

19.2. A case of force majeure is believed to exist in the case of any unforeseeable, serious event, such as, in particular, war, terrorist conflict, epidemics, diseases, quarantine measures or industrial disputes, which is beyond the control of a contracting party and as a result of which a contracting party is prevented in whole or in part from fulfilling its obligations, including fire damage, energy and raw material shortages, transport bottlenecks or obstacles through no fault of its own, floods, strikes as well as operational disruptions (fire, water, machinery damage) or official orders and lawful lockouts for which it is not responsible.

19.3. The contracting parties undertake to adapt the contract to the changed circumstances in good faith. For the duration and to the extent of the direct and indirect effects, the contracting parties are to be released from their obligations under the contract and is not liable for damages in this respect.

20. JUSTIFICATION

Both parties agree that for any discrepancy that may arise in the interpretation or execution

PARS FLAME CONTROLS

Name:

Title:

Place, Date:

Signature:

CUSTOMER

Name:

Title:

Place, Date:

Signature:

Pars Flame Controls is manufacturing company, specialized and experienced design, engineering, and manufacturing gas burner safety components for cooking and heating appliances' industry in the past 35 years in our history. We manufacture a wide range of highly reliable components for domestic and industrial applications which can be used in different cooking and heating appliances.

The wide range of our products are successively developed: thermocouple wires, thermostatic sensors, microswitch harnesses, ionisation electrodes, spark electrodes, and ignition modules. These products are mainly used in free-standing gas cookers, gas and electric ovens, gas and electric heaters, built-in hobs, hoods, and water heaters.

Pars Flame Controls manufacturing plant based on a 4000m² area within two production halls. As stated in our mission to consistently manufacture products at higher quality and technology level, every station of production is made process-based and consistently developed from material input to finished product according to the criteria defined in our quality control system.

Using our 35 years history of experience in the field, we understand customer needs through our inter-connected engineering teams and inclusive product delivering that perform reliability every time.

Our advanced laboratory combined with deep industry knowledge to quickly design, develop, manufacture, fuelled with innovation. We value for our know-how on our products to gain highest quality by continuously improving the level of lean production, automation and informatization of our unique ERP to become the industry leader.