

TERMS AND CONDITIONS OF SALE

Any quotation or sale by Roda Deaco Valve Inc., (herein, "Seller") to any customer, dealer, distributor, original equipment manufacturer, end-user, or other purchaser (herein, "Buyer") is made on the terms and conditions herein ("Terms and Conditions"). By accepting delivery of products sold hereunder ("Products"), Buyer accepts and agrees to be bound by these Terms and Conditions, which will supersede any terms and conditions stated in any purchase order or similar document furnished by Buyer.

1. **Payment Terms; Interest.** Unless otherwise specified by Seller, payment terms are net 30 days from date of invoice by wire transfer to Seller's designated account. Unless otherwise agreed to by Seller, payment shall be made in the currency designated on the sales acknowledgement and invoice. Credit limits and extensions are subject to the review and approval of Seller, in its sole discretion. Seller reserves the right to change its terms of sale or to require prior payment, letter of credit or COD when, in the opinion of Seller, the financial condition or previous payment record of Buyer so warrants. Seller shall not be obligated to extend credit to any Buyer. Should Buyer become delinquent in any payment due, Seller, at its own discretion, may institute credit hold procedures on all open orders. Future orders will not be confirmed until Buyer's account is brought current, including outstanding interest charges, if any.

2. **Taxes & Duties; Surcharges.** Prices quoted by Seller are exclusive of all taxes, import/export duties and surcharges applicable to the Products (including, without limitation, sales, use, value added, excise, property, customs and similar taxes or duties). Any such tax, fee, charge or surcharge shall be paid by Buyer in addition to the prices quoted or invoiced. All applicable taxes, duties, freight, and shipping charges will be separately stated on Seller's invoice in addition to the prices quoted or invoiced. Seller reserves the right to pass through surcharges, which shall be paid by Buyer in addition to the prices quoted or invoiced.

3. **Acceptance and Cancellation of Orders.** Any quotations given by Seller will be valid for the period stated on the quotation. Orders for Products must be presented in writing or via electronic means acceptable to Seller and will not be binding upon Seller until accepted by written or electronic confirmation or by shipment of the Products ordered. Seller reserves the right, at its option and without liability, to refuse any order, in whole or in part, or to specify an alternate delivery schedule if orders from all sources exceed Seller's inventory or ability to deliver. Seller may allocate available inventory and production in its sole discretion. Seller reserves the right to change material and design without prior notice and is not responsible for any inconvenience this may cause. Accepted orders may be cancelled only if written notice is provided to Seller prior to shipment of any part thereof and only upon payment of such reasonable cancellation charges as Seller may request, which may include but not be limited to tooling and work-in-progress expenses.

4. **Product Shipment and Risk of Loss; Inspection.** All shipments are Ex-Works, Seller's Canadian manufacturing facility, as applicable, per Incoterms 2000, unless otherwise specified in Seller's order acknowledgement. Unless otherwise agreed, Seller will select the method of shipment and carrier. Risk of loss or damage passes to Buyer upon issuance of the carrier's bill of lading, and Seller shall not be liable for any delays or loss or damage to Products in transit. Any claim for shortage, damage in transit or other nonconformance must be made directly to the delivering carrier within ten (10) days of receipt of shipment. If Buyer fails to give timely notice, Products delivered shall be deemed to conform to Buyer's order.

5. **Limited Warranty; Disclaimer.** Seller's merchandise is warranted to be free from defects in material and workmanship for a period of one year from date of shipment provided that Seller receives written notice of any claimed defects within (15) days after Buyer's discovery thereof. Seller's warranty is limited to the repair or replacement of defective material or workmanship, and Seller shall not be responsible for the cost of any repairs performed by Buyer. The foregoing warranty will be effective, and Seller will be obligated to honor such warranty, only upon Seller's receipt of payment in full for the product(s) to be warranted. This warranty shall be void and of no effect if the merchandise has been altered, damaged, or misused subsequent to delivery or if the merchandise has been replaced, repaired or disassembled without Seller's prior written authorization. Seller's warranties do not cover any damage or defect due to relocation, accident; negligence; failure of electrical power; tampering; or failure to follow Seller's handling, operating and maintenance instructions. Products returned for repair or replacement under warranty shall be shipped with freight prepaid by Buyer. Seller's warranty covers only products manufactured and assembled by Seller. Any equipment or components supplied by others is sold only with such warranties as may be provided by the original manufacturer.

TO THE FULL EXTENT PERMITTED BY LAW, THE FOREGOING WARRANTY AND REMEDIES SET FORTH IN SELLER'S STANDARD PRINTED WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS, WARRANTIES, TERMS, OR CONDITIONS, WRITTEN OR ORAL, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, IN CONNECTION WITH THE DESIGN, SALE, INSTALLATION, OR USE OF SELLER'S PRODUCTS, INCLUDING WITHOUT LIMITATION ANY WARRANTIES, TERMS, OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CORRESPONDENCE WITH DESCRIPTION, SATISFACTORY QUALITY, OR NONINFRINGEMENT, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED. WHEN, UNDER APPLICABLE LAW, IMPLIED WARRANTIES MAY NOT BE EXCLUDED IN THEIR ENTIRETY, SUCH WARRANTIES WILL BE LIMITED TO THE DURATION OF THE APPLICABLE WRITTEN WARRANTY. COPIES OF THE SELLER'S STANDARD PRINTED WARRANTIES MAY BE OBTAINED UPON REQUEST.

IN NO EVENT SHALL SELLER BE LIABLE TO PURCHASER OR ANY THIRD PARTY FOR ANY OTHER DAMAGES ARISING OUT OF THE USE OF, OR INABILITY TO USE, SELLER'S PRODUCTS, OR FOR ANY OTHER DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND, EVEN IF ADVISED OF THE POSSIBILITY THEREOF. SELLER'S TOTAL LIABILITY FOR DAMAGES, WHETHER IN CONTRACT, TORT, OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE PAID BY PURCHASER FOR THE PRODUCTS COVERED BY THESE TERMS AND CONDITIONS.

6. **Purchase Money Security Interest.** Buyer hereby grants to Seller a purchase money security interest in all Products purchased hereunder, and any proceeds received by Buyer with respect thereto, as security for the payment of all amounts due from Buyer to Seller. Upon request by Seller at any time, Buyer agrees to assist Seller in executing and filing such financing statements or other documents as may be required to evidence and perfect such security interest in any jurisdiction.

7. **Return Policy.** Other than returns of Products pursuant to valid warranty claims, Products may be returned for refund or credit only with advance written approval and a Returned Goods Authorization Number ("RGA Number") from Seller. The RGA Number may be obtained by contacting Seller's sales department. Proof of purchase is required. The RGA Number must appear on all shipping documents and related correspondence. Merchandise returned without such approval may be returned to Buyer freight collect. Returned Products must have been purchased within thirty (30) days prior to the date of return, and must be in the same condition as when they were shipped by Seller. Seller will not accept returns on special orders (that are not stock items of Seller), electric or electronic components. All returned merchandise must be sent by Buyer freight prepaid and properly boxed to prevent damage in transit. SELLER WILL NOT ACCEPT ANY C.O.D. OR COLLECT PARCELS. Seller will inspect the product upon receipt and issue the credit based on the condition of the merchandise and the terms of Seller's Returned Goods Policy. A minimum restocking charge of twenty percent (20%) of the invoiced price (excluding freight, taxes and expediting fees) will be charged for all returns.

8. **Force Majeure.** Seller shall not be liable or deemed to be in default for non-performance or delay in performance under these Terms and Conditions or any contract with Buyer to the extent caused by any act of God or public enemy, war, riot, civil commotion, act of terrorism, fire, flood, epidemic, earthquake, accident, explosion, casualty, embargo, action of the elements, strike, lockout or labor dispute, governmental law, regulation, or ordinance, order of a court of competent jurisdiction, or any other cause beyond Seller's reasonable control.

9. **Other Documents & Terms.** Additional terms and conditions as found on Seller's quotations, acknowledgements and invoices are to be considered as part of these Terms and Conditions. If Buyer has signed a separate purchase or supply agreement with Seller, the terms of that separate agreement shall govern over any conflicting terms herein. No purchase order or other document of Buyer that in any way modifies any of these Terms and Conditions will be binding upon Seller, unless made in writing and signed by an authorized officer of Seller. Course of performance, course of dealing, and usage of trade shall not apply.

10. **Amendment.** These Terms and Conditions may be amended or modified by Seller at any time by delivering a copy of such modified Terms and Conditions to Buyer. Any attempt to alter, supplement, or amend this document or enter an order for product(s) which is subject to additional or altered terms and conditions will be null and void, unless otherwise agreed to in a written agreement signed by both Buyer and Seller.

11. **Finance Charges and Collection Expenses.** Any amounts due to Seller that are not paid on the due date therefor shall bear interest, from the date due until paid in full, at a rate equal to the lower of 1.5% per month or the highest legal rate, compounded monthly. If Seller deems it necessary or appropriate to refer an account to an agent or attorney for collection, all costs and expenses of collection (including, without limitation, reasonable attorney's fees) will be charged to Buyer's account and will accrue interest at the rate stated above. Seller may set off against any sum otherwise due from Seller to Buyer or its affiliates any sums or amounts then due from Buyer and its affiliates to Seller and its affiliates.

12. **Compliance with Laws.** Buyer is responsible for compliance with any laws, regulations and legal authorities applicable to the purchase, export, import, transfer, sale or other disposition of the purchased Products, including all applicable U.S. export control laws and regulations, and shall not export, re-export, or otherwise transmit, directly or indirectly, any Product, software, technical data, or other materials received from Seller, or the direct products thereof, unless in full compliance with all applicable laws and regulations, including obtaining any required export licenses. If Buyer requires Seller to export Products from the U.S., Buyer will be responsible for providing all import certificates or other documents necessary to obtain any required export licenses.

13. **Governing Law & Jurisdiction.** These Terms and Conditions and all transactions hereunder (including without limitation any disputes arising out of deliveries from Seller to Buyer) shall in all respects be governed by and interpreted and enforced in accordance with the laws of the State of Texas and the United States of America, without giving effect to any conflict of law provision that would cause the application of the laws of any other jurisdiction. To the extent the United Nations Convention on Contracts for The International Sale of Goods could be applicable, Seller and Buyer hereby opt out of the application of the Convention and any applicable international discovery and service of process conventions shall not be applicable. Buyer consents to the jurisdiction of any court located in the State of Texas with respect to any legal action or proceeding to enforce any provision of, or based on any right arising out of, these Terms and Conditions and waives any objection to venue laid therein.

14. **Miscellaneous.** The rights and remedies of Seller herein are cumulative and in addition to all other rights and remedies available at law or in equity. Any failure to enforce any provision of these Terms and Conditions may not be construed as a waiver of such provision or any other provision nor of the right to enforce such provision. The invalidity, in whole or in part, of any provision hereof shall not affect the remainder of the provisions. Any waiver or renunciation of a claim or right arising out of breach must be in writing and signed by the injured party.

15. **Headings.** The section headings used herein are for convenience of reference only, and may not be used in the interpretation hereof.