

TERMS AND CONDITIONS OF SALE

The following general Terms and Conditions of Sale (the “Terms”) are applicable to the provision of all goods supplied and/or services rendered (“Goods”) by National Pump Company (“Seller”) to any purchaser thereof (“Buyer”).

1. **GENERAL.** These Terms, together with any quotation, proposal, acknowledgement or invoice from Seller, constitute the complete and exclusive statement of the terms of the agreement governing the sale of Goods by Seller to Buyer, unless otherwise agreed by Seller in writing. These Terms supersede all other communications, negotiations, and all prior oral or written statements, regarding the subject matter hereof.

If an order for Goods (“Order”) is deemed to be an offer by Buyer, then Seller’s acceptance of such offer is expressly conditioned on Buyer’s assent to the Terms. Any additional, different or conflicting terms proposed by Buyer in any Order, acceptance, confirmation, specifications or otherwise are hereby rejected and objected to by Seller and will not be binding in any way on Seller. Seller reserves the right in its sole discretion to refuse Orders.

2. **WARRANTY; LIMITATION OF REMEDY.** Seller warrants that its manufactured Goods are free from defects in workmanship and meet Seller’s specifications at the time of shipment (under the conditions of proper storage and installation, normal use, and regular service and maintenance) for a period of 12 months from the date of shipment of the goods by Seller or 18 months from the date of manufacture of the goods by Seller, whichever occurs sooner. All claims under this warranty with respect to any Goods must be made in writing and delivered to Seller within 30 days after the defect is discovered (or should have been discovered).

Seller’s obligation under this warranty is expressly limited to replacing or repairing, free of charge, F.O.B. point of manufacture, any defective part of its manufactured Goods; however, Seller shall have no liability except where it is shown to the satisfaction of Seller that the defect resulted from breach of this warranty. All parts claimed defective must be delivered to Seller, freight or express prepaid, unless otherwise agreed by Seller in writing.

Seller’s warranty does not cover those parts of its manufactured Goods that are not manufactured by Seller except to the extent that the seller of such parts extended its warranty to Seller as the purchaser of such parts.

SELLER MAKES NO OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, IN FACT OR IN LAW, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO SELLER IN SPECIFICATIONS, DRAWINGS OR OTHERWISE, AND WHETHER OR NOT SELLER’S PRODUCTS ARE SPECIFICALLY DESIGNED

AND/OR MANUFACTURED BY SELLER FOR BUYER’S PURPOSE OR USE.

IT IS EXPRESSLY AGREED THAT THE ABOVE STATES BUYER’S EXCLUSIVE REMEDY for any breach of warranty and for any claim for personal injury, property damage or commercial loss, whether sounding in contract, tort, strict liability or negligence based on any defect in such Goods.

3. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL SELLER BE LIABLE, WHETHER BY WAY OF INDEMNITY OR BREACH OF CONTRACT OR STATUTORY DUTY OR REASON OF TORT, FOR ANY LIQUIDATED, DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSS OF PROFIT, SAVINGS, REVENUE, INCOME, BUSINESS, PRODUCTION, OPPORTUNITY OR REPUTATION ARISING OUT OF OR RELATED TO THE ORDER OR THE GOODS WHETHER FORESEEABLE OR UNFORESEEABLE OR KNOWN OR UNKNOWN. The foregoing limitation of liability shall be effective without regard to Seller’s acts or omissions or negligence or strict liability in performance or non-performance hereunder.

Except as otherwise provided by law, in no event shall Seller’s liability under any Order or these Terms exceed the amount paid by Buyer under such related Order.

4. **DELIVERY; LIMITATION OF LIABILITY AND REMEDY.** Unless otherwise specified on any Order or as agreed by Seller in writing, all shipments are F.O.B. Seller’s plant and all risk of loss with respect to any Goods shipped shall pass to Buyer when such Goods are delivered to the carrier at Seller’s plant. Shipping dates are approximate and are based upon the prompt receipt of all necessary information. Seller shall not be liable for damages or delays in delivery or failure to manufacture or deliver due, directly or indirectly, to (a) causes beyond its reasonable control; (b) acts of God, acts of Buyer, acts of any civil or military authority, fires, labor disputes, earthquakes, floods or other weather conditions, accidents, epidemics, wars, riots or other civil disturbances, or delays in transportation; or (c) delays or defaults by Seller’s suppliers or subcontractors or other inability to obtain necessary labor, fuel, materials, components or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

Delivery dates cannot be altered by Buyer without Seller’s written consent. Any extension of the delivery date by Buyer will be subject to storage charges as determined by

Seller, interest charges as set forth below, and any applicable price increases.

Goods produced by Seller in compliance with the Order requirements which cannot be shipped solely due to missing information from Buyer, including but not limited to carrier arrangements, will be charged an additional 10% of the Order value within 5 business days after Seller notifies Buyer of same.

5. **PRICE AND PAYMENT.** The price of Goods sold shall be Seller's price in effect for such Goods on the date of shipment of such Goods. Unless otherwise agreed by Seller in writing, prices quoted do not include freight, insurance, installation costs, special packaging or any sales, use, excise, VAT or similar taxes. Taxes imposed by any federal, state, county, city or municipal law on the Goods will be added to the invoice unless a fully completed and executed tax exemption certificate is received by Seller with the Order. Unless otherwise agreed by Seller in writing, payment terms are net thirty (30) days from the date of Seller's invoice in U.S. dollars. BUYER SHALL PAY A LATE CHARGE OF ONE AND ONE-HALF PERCENT (1.5%) PER MONTH ON ALL AMOUNTS NOT PAID WHEN DUE. Buyer waives its right to set-off against claims it may have against Seller and acknowledges that it may not suspend its payment obligations to Seller.

Seller reserves the right to withhold shipment or to require other adequate assurances of performance of Buyer's payment obligations as Seller in its discretion may require, notwithstanding any Order confirmation issued by Seller. Buyer shall be liable for all expenses, including attorneys' fees, relating to the collection of past due amounts.

6. **SECURITY INTEREST.** Buyer hereby grants Seller a security interest in and a lien upon all Goods sold to Buyer by Seller and the proceeds therefor (including any insurance proceeds), which security interest shall continue until all such Goods are fully paid for in immediately available funds. Buyer, upon Seller's demand, will execute and deliver to Seller such instruments as Seller requests to protect and perfect such security interest. Buyer shall have no right to sell, encumber or dispose of the Goods until Seller receives full payment for such Goods.

7. **CANCELLATION; RETURN OF GOODS.** Buyer may not cancel any Order except upon reasonable advance written notice and upon payment to Seller of Seller's cancellation fee, which shall include all costs and expenses incurred by Seller prior to the receipt of the cancellation notice including, but not limited to, all commitments to its suppliers and subcontractors, all fully burdened labor and overhead expended by Seller, and a reasonable profit charge. Seller's determination of such cancellation fee shall be conclusive.

Return of Goods shall be in accordance with Seller's most current return authorization process and shall be subject to a minimum fifteen percent (15%) restocking fee.

8. **SUBSTITUTION.** Seller reserves the right to substitute materials and/or modify specifications of an Order to the extent required to comply with any governmental law or regulation.

9. **AMENDMENTS; CHANGES.** The Terms may be amended, modified or waived only as agreed by Seller and Buyer in writing. No changes to an Order may be made by Buyer unless approved by Seller in writing.

10. **FAIR LABOR STANDARDS.** Seller represents that any Goods to be delivered hereunder will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

11. **EXPORT REGULATIONS.** The marketing, sale, use, export and release of the Goods are subject to applicable export laws and regulations of the United States and other countries. Buyer agrees to comply with all such applicable laws and regulations, including without limitation, U.S. Export Administration Regulations, regulations of the U.S. Office of Foreign Asset Control, the U.S. Foreign Corrupt Practices Act and comparable laws and regulations of other countries. Buyer shall be responsible for any breach of this Section.

12. **GOVERNING LAW.** These Terms and any Order hereunder shall be construed in accordance with the laws of the State of Ohio, without regard to conflicts of law principles. Any dispute arising hereunder shall be resolved in the federal or state courts of the State of Ohio, as applicable. The rights and obligations of Seller and Buyer shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods.

13. **WAIVER OF JURY TRIAL. EACH OF SELLER AND BUYER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THESE TERMS OR ANY ORDER HEREUNDER.**

14. **MISCELLANEOUS.** The section titles in these Terms are for reference only and shall not limit or restrict the interpretation or construction of the Terms. Seller's failure to insist, in any one or more instances, upon Buyer's performance of any of the Terms, or to exercise any rights conferred by the Terms, shall not constitute a waiver of any such right to insist upon such performance or exercise such rights in the future. The partial or complete invalidity of any one or more provisions of these Terms shall not affect the validity or continuing force and effect of any other provision.