

## PENTAIR FLOW TECHNOLOGIES TERMS AND CONDITIONS OF SALE

**LEGAL EFFECT:** The following terms and conditions are a part of this order. Additional or different terms of Buyer's purchase order or other form of acceptance or any other form of Buyer are rejected in advance and shall not become a part of the Order. Seller's quotation is an offer to sell under the terms and conditions stated herein. All offers to purchase by Buyer or orders or contracts of sale resulting from such Quotations are subject to final acceptance in writing by an Officer of the Seller. Seller's rights and remedies under this Quotation and the Order are in addition to, not in substitution of, all other rights and remedies available to Seller under any applicable provision of law, regulation or court decision. Seller may suspend its performance of the Order if Buyer defaults in the performance of its duties under the Order or under any other agreement between the Buyer and Seller. No employee, agent, dealer, or distributor of Seller has any authority to change or enlarge the terms of this Quotation or the Order. No change shall be valid unless it is in writing and signed by an authorized Officer of Seller. In the event that any provision of these terms and conditions is deemed to be invalid or unenforceable, the parties agree that such invalidity or unenforceability shall not invalidate or render unenforceable the remainder of these terms and conditions, and the remaining terms and conditions shall continue in full force and effect. Unless otherwise mutually agreed, the terms of any Order resulting from this Quotation shall be interpreted and enforced in accordance with the laws applicable at the Seller's Home Office or primary U. S. management location.

**SCOPE OF SUPPLY:** As an equipment supplier, Seller will provide equipment per (1) Seller's quotation only, or (2) where approved in writing by an ENGer- employee of Seller, per the technical portion of the specifications as submitted, clarified and approved by Seller. Any terms and conditions other than those stated herein are excluded. Buyer is fully responsible for (including payment of the cost of) installation of all equipment sold under this order.

**ASSIGNMENT:** No assignment or transfer of interests of any part of this contract shall be valid without the expressed written consent of both parties.

**CANCELLATION:** Buyer cannot cancel or alter the Order without the Seller's written consent. If Seller grants such consent, Buyer will reimburse Seller for all of Seller's losses and expenses caused by such cancellation or alteration, including without limitation all of Seller's additional costs caused by changes in design or specifications, or by product revisions, and all consequential damages incurred by Seller as a result of such cancellation or alteration. If Buyer cancels the Order, Buyer shall pay Seller (i) a minimum cancellation charge of 15 percent of the purchase price; and (ii) any damages and expenses described in this paragraph that exceed 15 percent of the purchase price.

**PRICES:** Unless otherwise mutually agreed in writing, prices quoted by the Seller shall be firm for a period of 60 days after quotation, or, after receipt of an acceptable purchase order from the Buyer, for the duration of the contract, not to exceed one year after the Seller's receipt of the purchase order.

**TERMS OF PAYMENT:** Unless otherwise mutually agreed, the terms of payment shall be 100% net 30 days after shipment, paid from the Seller's invoices, contingent on approval by the Seller's Credit Manager. These terms apply to partial and complete shipments. Buyer agrees to make full payment under these terms without setoff. Monies held beyond these terms may be subject to interest at the maximum legal rate, and may result in lien proceedings or the termination of warranties and suspension of services. If, in Seller's judgment, Buyer's financial condition at the time the equipment is ready for shipment does not warrant the extension of credit to Buyer, Seller may require full payment, in cash or via letter of credit, prior to making shipment. If Seller does not receive full cash payment within fifteen (15) days after it notifies Buyer that such payment is required and that the equipment is ready for shipment, Seller may cancel the Order as to any unshipped item. In that event, Buyer will pay Seller the cancellation charges, damages and expenses, as described under CANCELLATION. Buyer will pay all costs and expenses, including reasonable attorney fees, incurred by Seller in collecting any amounts due, including interest, if any proceeding is initiated by or against Buyer under any Bankruptcy, insolvency, and/or collection activities.

**TAXES:** Seller's quoted prices do not include any present and future sales, use, occupation, license, excise, and other taxes, permits, tariffs, duties, or fees with respect to the sale, delivery or use of the equipment. Any applicable taxes or fees will be charged at rates in effect at time of shipment. Seller is required by law to collect all applicable sales and use taxes unless an appropriate exemption certificate is provided by the Buyer. Seller's quoted prices include all taxes and permits applicable throughout the manufacturing process.

**SHIPMENT:** Except as otherwise mutually agreed, domestic shipment will be EXW, Seller's point of shipment, international shipments will be FCA Seller's point of shipment. Buyer will pay all transportation charges. Seller's quoted prices are based on shipment immediately upon readiness, with no delays or storage. Work which has been suspended or stored for the Buyer's convenience may be billed in place, and applicable storage charges shall accrue. If Buyer does not furnish exact shipping instructions, Seller will select, in its discretion, the means of shipment. Seller will not be liable for any loss resulting from such selection. The time of delivery is an estimate only, and Seller may change such time if Seller does not receive the information and approvals necessary to proceed with the

manufacture of the equipment. Buyer agrees to inspect all deliveries immediately. Any claim for shortages or damage must be made in writing within five (5) days after Buyer receives a shipment, and if not made, shall be deemed waived. Any other claim by Buyer, other than claims under the WARRANTY stated below, shall be made within thirty (30) days after Buyer receives shipment, and if not made shall be deemed waived. Seller is not responsible for loss or damage in transit after having received an "In Good Order" receipt from the carrier. Buyer will make all claims for loss or damage in transit against the carrier.

**SHIPMENT UPON READINESS:** Seller's quoted prices are based on shipment immediately upon readiness, with no delays or storage. Work that has been suspended or stored for the Buyer's convenience shall be billed in place, and applicable storage charges shall accrue. Promise date, shipment date or completion of manufacture date of the equipment may be changed only with Seller's written consent. If shipment is delayed at Buyer's request, Buyer will make any payments due under the Order as if the equipment has been shipped on the date when it was ready for shipment. If completion of manufacture is delayed at Buyer's request, Seller may require payment according to percentage of completion. Buyer shall have the risk of loss with respect to equipment held for Buyer, and Seller may charge Buyer for storage.

**INSURANCE:** Buyer shall bear all risk of and responsibility for damage or loss to the equipment after Seller delivers the equipment to the carrier at its point of shipment. Buyer agrees to provide and maintain adequate insurance for the equipment supplied under the Order to fully protect Seller's interest during the time between delivery and final payment. Loss or damage by fire or other causes during such period shall not relieve Buyer from its obligations under the Order. Upon request, Seller will provide Buyer with its standard ACORD Certificate of Insurance. Seller cannot name others as additional insureds.

**TITLE AND LIEN RIGHTS:** If Buyer defaults in its obligations under the Order before the price (including any notes given therefore) of the equipment has been fully paid in cash, Seller may take any and all actions permitted by law to protect its interests including, where permissible, repossession of such equipment. Seller agrees to indemnify Buyer from liens filed by Seller's workforce or subcomponent vendors. Seller's statements of conditional, partial or complete lien waivers, consistent with payments received, will be furnished on request. The furnishing of such waivers shall not be a condition precedent to payment. Buyer agrees to cooperate fully with Seller in the filing of any financial statements or other documents necessary to perfect such interests and liens.

**PATENT INFRINGEMENT:** Seller will defend Buyer and the user of the equipment to the extent of any rightful claim that

any equipment and parts of Seller's manufacture furnished under the Order infringe upon any published United States patent, and Seller will pay all damages and costs awarded by a court of competent jurisdiction with respect to such claim. The Buyer or user must promptly notify Seller of any such claim, and cooperate fully with Seller in the defense of such claim, or Seller will have no duty under this paragraph. Buyer will defend and indemnify Seller against patent infringement claims relating to equipment and parts that are not manufactured by Seller to the same extent as Seller agrees to defend and indemnify Buyer with respect to patent infringement claims relating to equipment and parts of Seller's manufacture.

**DESIGN RIGHTS:** Seller sells and transfers ownership of the agreed equipment and services only; not the design rights, development data, patents, tooling, patterns, methods or copyrights. All such rights in data are expressly reserved. In lieu of such rights, Seller will provide use of such form, fit and function information as is necessary for the Buyer's approval, installation, fit-up and operation of the equipment.

**WARRANTY:** Seller warrants equipment (and its component parts) of its own manufacture against defects in materials and workmanship under normal use and service for one (1) year from the date of installation or start-up, or for eighteen (18) months after the date of shipment, whichever occurs first. Seller does not warrant accessories or components that are not manufactured by Seller; however, to the extent possible, Seller will assign to Buyer its rights under the original manufacturer's warranty, without recourse to Seller. Buyer must give Seller notice in writing of any alleged defect covered by this warranty (together with all identifying details, including the serial number, the type of equipment, and the date of purchase) within thirty (30) days of the discovery of such defect during the warranty period. No claim made more than 30 days after the expiration of the warranty period shall be valid. Guarantees of performance and warranties are based on the use of original equipment manufactured (OEM) replacement parts. Seller assumes no responsibility or liability if alterations, non-authorized design modifications and/or non-OEM replacement parts are incorporated. If requested by Seller, any equipment (or its component parts) must be promptly returned to Seller prior to any attempted repair, or sent to an authorized service station designated by Seller, and Buyer shall prepay all shipping expenses. Seller shall not be liable for any loss or damage to goods in transit, nor will any warranty claim be valid unless the returned goods are received intact and undamaged as a result of shipment.

Repaired or replaced material returned to customer will be shipped EXW (Domestic Shipments) or FCA (International Shipments), Seller's factory. Seller will not give Buyer credit for parts or equipment returned to Seller, and will not accept delivery of any such parts or equipment, unless Buyer has

obtained Seller's approval in writing.

The warranty extends to repaired or replaced parts of Seller's manufacture for ninety (90) days or for the remainder of the original warranty period applicable to the equipment or parts being repaired or replaced, whichever is greater. This warranty applies to the repaired or replaced part and is not extended to the product or any other component of the product being repaired.

Repair parts of its own manufacture sold after the original warranty period are warranted for a period of one (1) year from shipment against defects in materials and workmanship under normal use and service. This warranty applies to the replacement part only and is not extended to the product or any other component of the product being repaired.

Seller may substitute new equipment or improve part(s) of any equipment judged defective without further liability. All repairs or services performed by Seller, which are not covered by this warranty, will be charged in accordance with Seller's standard prices then in effect.

**THIS WARRANTY IS THE SOLE WARRANTY OF SELLER AND SELLER HEREBY EXPRESSLY DISCLAIMS AND BUYER WAIVES ALL OTHER WARRANTIES EXPRESSED, IMPLIED IN LAW OR IMPLIED IN FACT, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS**

**FOR A PARTICULAR PURPOSE.** Seller's sole obligation under this warranty shall be, at its option, to repair or replace any equipment (or its component parts) which has a defect covered by this warranty, or to refund the purchase price of such equipment or part. Under the terms of this warranty, Seller shall not be liable for (a) consequential, incidental, collateral, special or liquidated losses or damages; (b) equipment conditions caused by normal wear and tear, abnormal conditions of use, accident, neglect, or misuse of said equipment; (c) the expense of, and loss or damage caused by, repairs or alterations made by anyone other than the Seller; (d) damage caused by abrasive materials, chemicals, scale deposits, corrosion, lightning, improper voltage, mishandling, or other similar conditions; (e) any loss, damage, or expense relating to or resulting from installation, removal or reinstallation of equipment; (f) any labor costs or charges incurred in repairing or replacing defective equipment or parts, including the cost of reinstalling parts that are repaired or replaced by Seller; (g) any expense of shipment of equipment or repaired or replacement parts; or (h) any other loss, damage or expense of any nature.

The above warranty shall not apply to any equipment which may be separately covered by any alternate or special warranties.

**INDEMNIFICATION:** Seller shall defend, indemnify and hold harmless Buyer from and against any and all Liabilities arising out of (1) Seller's negligence, (2) Seller's violation of laws, rules, ordinances or regulations, (3) Seller's misrepresentation, misapplication, installation or

maintenance of the products; or(4) death of or injury to any person, or damage to any property, resulting from, or relating to, Seller products or services ... all except to the extent same is alleged to have been caused by the negligence of Buyer, its affiliates or their officers, directors, employees or agents. Buyer shall defend, indemnify and hold harmless Seller from and against any and all Liabilities arising out of Buyer's negligence or violation of applicable laws, rules, ordinances or regulations (including those described below).

**PERFORMANCE:** In the absence of Certified Pump Performance Tests, equipment performance is not warranted or guaranteed. Performance curves and other information submitted to Buyer are approximate and no warranty or guarantee shall be deemed to arise as a result of such submittal. All testing shall be done in accordance with Seller's standard policy under Hydraulic Institute procedures.

**LIABILITY LIMITATIONS:** Under no circumstances shall the Seller have any liability under the Order or otherwise for liquidated damages or for collateral, consequential, incidental, or special damages or for loss of profits, or for actual losses or for loss of production or progress of construction, regardless of the cause of such damages or losses. In any event, Seller's aggregate total liability under the Order or otherwise shall not exceed the contract price.

**ACTS OF GOD:** Seller shall in no event be liable for delays in delivery of the equipment or other failures to perform caused by fires, acts of God, strikes, labor difficulties, acts of governmental or military authorities, delays in transportation or procuring materials, or causes of any kind beyond Seller's control.

**COMPLIANCE WITH LAW:** With respect to the purchase, sale, resale and servicing of these goods, Buyer shall comply with all applicable laws, trade embargos, regulations, orders and other restrictions and - without limiting the generality of the foregoing - do the following.

- (A) Compliance with the various Federal, State and Local laws and regulations concerning occupational health and safety and pollution are affected by the use, installation and operation of the equipment and other matters over which Seller has no control, Seller assumes no responsibility for compliance with those laws and regulations, whether by way of indemnity, warranty or otherwise.
- (B) Buyer shall abide by all applicable laws and regulations of the U.S. Government, which laws and regulations shall supersede any conflicting laws and regulations of any other country. Buyer shall abide by all applicable laws and regulations in the Territory and shall ensure and procure that it has all licenses, consents, approvals, permissions and authorizations ("Licenses") required to fulfill its duties under this Agreement and that such Licenses remain in full

force and effect for the duration of this Agreement (Buyer shall provide copies of all Licenses to Seller on its request).

- (C) Buyer shall comply at all times with all restrictions imposed by the U.S. Government under the U.S. Export Administration Act of 1979 and regulations issued under such Act and trade sanctions programs administered by the U.S. Department of Treasury. Buyer acknowledges that currently such trade sanction programs prohibit Principal from engaging in transactions with certain countries and parties including, the Balkans, Belarus, Burma (Myanmar), Ivory Coast, Democratic Republic of Congo, Cuba, Iran, Liberia, North Korea, Sudan, Syria and Zimbabwe, among others.
- (D) Buyer shall at all times conduct its activities in accordance with all applicable laws, rules, regulations and orders related to anti-bribery or anti-corruption legislation including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977. Accordingly, Buyer agrees to make no offer, payment or gift, will not promise to pay or give, and will not authorize the promise or payment of, any money or anything of value to any government official, any political party or its officials, any candidate for political office, any official or employee of a public international organization or any person while knowing or having reason to know that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any government official, any political party or its officials, any candidate for political office, or any official or employee of a public international organization for the purpose of influencing any act or decision to assist Buyer or Seller or otherwise obtaining any improper advantage or benefit.

**US EXPORT NOTIFICATIONS:**

All sales of goods or technology are in compliance with the Export Administration Regulations of the United States. Diversion contrary to U.S. law is prohibited. Seller will not participate in the Arab League Boycott against Israel. Seller therefore assumes the following to be correct – and Seller will interpret the fact of Buyer ordering from Seller to confirm Buyer agreement to follow these same rules. The purchased goods will be used solely by civil end users for civil end use, and will not be used in relation to nuclear, biological, chemical, or terror-related weapons or missiles capable of delivering those weapons (unless further described below). The goods will not be re-exported or sold to a third party unless further described below. Buyer shall not request or expect Anti-Israel language (as desired by the Arab League Boycott against Israel) in any communications with the seller at all. These regulations do apply, no matter whether Buyer

is the ultimate consignee and end user of these products, Buyer will not be re-selling them, or Buyer is a contracted distributor, intending to re-sell these goods to customers within your own country who are also legal customers in the eyes of the United States, or a contracted distributor intending to re-sell these goods to customers in multiple countries, who are also legal customers in the eyes of the United States.

**ACCEPTANCE:** These terms and conditions shall constitute the entire agreement, and all other terms and conditions of any origin are excluded. Unless otherwise advised by the Buyer within ten days after Seller’s acknowledgment of an order, Seller will proceed with processing of such order with the understanding that the Buyer is in full agreement with all provisions stated herein.

**Transaction terms:** Incoterms 2010 Rules.

**Dates:** This invoice date represents the date of cargo pickup from Seller’s facility.

- On domestic sales: Transfer of both title and risk of loss shall occur upon pickup from seller’s site.
- On international sales: Transfer of both title and risk of loss

shall occur upon entry into international waters, international airspace, or the crossing of an international border, with the sole exception of banked transactions (L/C, DAA, DAP) in which case the transfer of title occurs upon exchange of documents at the bank window, and the transfer of risk of loss occurs upon entry into international water, international airspace, or the crossing of an international border.

**Marine Insurance:** The party responsible for paying the main transportation shall provide full cargo insurance coverage – defined as door-to-door, ‘A’ cover, all risk, marine, war, strike and riot – regardless of the shipping terms, with the exception of CFR/CPT Incoterms, in which insurance is the buyer’s responsibility. Therefore, on E and F terms, plus CFR and CPT, the buyer shall provide full cargo insurance coverage, and on D terms, plus CIF and CIP, the seller shall provide full cargo insurance coverage.

For destinations and/or cargo on which governmental or insurance restrictions require additional approvals and/or premiums, or a split in coverage other than house-to-house, the responsible party/parties shall take such additional measures to ensure that the shipment is appropriately covered.

**U.S. Export Controls:** If intended for export, all goods and technology are exported in accordance with the Export Administration Regulations of the United States. Diversion contrary to U.S. law is prohibited.