

## MANN+HUMMEL Water & Fluid Solutions, INC. - STANDARD TERMS AND CONDITIONS OF SALE

### CONTROLLING TERMS AND CONDITIONS.

MANN+HUMMEL Water & Fluid Solutions, Inc. ("MANN+HUMMEL WFS") provides the following Terms and Conditions of Sale ("Terms") which apply to all quotations, and sales made by MANN+HUMMEL WFS and to all purchases by customer, owner or agent ("Purchaser"). These Terms are the only conditions applying to the sale of MANN+HUMMEL WFS's products or services, except conditions relating to prices, quantities, delivery schedules, terms of payment, invoicing, shipping instructions, and the description and specifications of the goods, together with other written conditions which may be mutually agreed upon by the parties in writing. Acceptance by Purchaser of MANN+HUMMEL WFS's quotation is expressly and exclusively limited to the terms, conditions and limitations contained herein, with the exceptions described, which terms and conditions supersede all prior statements, proposals, negotiations, representations and agreements and shall constitute the entire agreement between MANN+HUMMEL WFS and Purchaser with respect to the subject matter hereof. This serves as written objection to and rejection of all inconsistent or additional terms, conditions and limitations contained on any form or writing of Purchaser. Purchaser's acceptance of these terms and conditions shall be deemed to have occurred unless written notice of rejection is received by MANN+HUMMEL WFS within five (5) calendar days of receipt of this document. In any event, Purchaser's acceptance of delivery of the goods sold hereunder shall manifest Purchaser's assent to the terms, conditions and limitations contained herein. MANN+HUMMEL WFS shall not be deemed to have waived the terms and conditions contained herein if MANN+HUMMEL WFS fails to object to the conditions appearing in, incorporated by reference, or attached to a purchase order. If Purchaser issues multiple purchase orders or makes other requests of MANN+HUMMEL WFS for goods or services, each such order or request shall be subject to these terms and conditions of sale regardless of Purchaser's other terms of any such order or request, and regardless of the method in which the order was placed.

**1. TIME LIMIT.** All quotations are valid for a period of sixty (60) days, unless otherwise specified in writing.

**2. SHIPMENT.** Pricing and shipping terms shall be Ex-works the manufacturing facility. Title, risk of loss and/or damage will pass to the Purchaser upon shipment of the goods. If the Purchaser has not issued inspection or shipping instructions by the time the goods are ready for shipment, MANN+HUMMEL WFS may select any reasonable method of shipment, without liability by reason of its selection. Shipments made on Purchaser's behalf shall be insured at Purchaser's expense. If MANN+HUMMEL WFS is required to arrange for shipment of the goods or any parts thereof, Purchaser shall reimburse MANN+HUMMEL WFS for all freight, insurance and other shipping related costs. Shipment of goods held by reason of Purchaser's request or inability to receive goods will be at the risk and expense of Purchaser. Claims for shortages in shipment shall be deemed waived unless made in writing to MANN+HUMMEL WFS within ten (ten) days from date of the invoice.

**3. PAYMENT TERMS.** Payments will be made in accordance with the specified payment schedule. All payments are due net thirty (N:30) days from the date of invoice, unless otherwise specified. Purchaser's failure to make payment when due will be a material breach of the order and these Terms. MANN+HUMMEL WFS, at its sole option and without incurring any liability, may suspend performance, and shipments, until such time as the overdue payment is made, or MANN+HUMMEL WFS receives assurances, adequate in opinion of MANN+HUMMEL WFS, that payment will be promptly made. If in the judgment of MANN+HUMMEL WFS, Purchaser's financial position does not justify the terms of payment specified, MANN+HUMMEL WFS may require full or partial payment prior to shipment of the goods. Purchaser agrees to furnish MANN+HUMMEL WFS with required credit information. Payments for certain export shipments will be in accordance with the specified payment schedule included herein by way of an Irrevocable Letter of Credit, established in favor of MANN+HUMMEL WFS, drawn on and, if required, confirmed, by a prime US bank approved by MANN+HUMMEL WFS. The Letter of Credit is to be established at the time of the award of the order. All costs associated with the Letter of Credit will be for the Purchaser's account.

**4. TAXES / DUTIES.** Federal, State, or local indirect taxes, including but not limited to sales and/or use taxes, VAT taxes,, GST taxes or any similar tax and any import or export duties, fees or taxes are not included in the prices set forth herein. Such taxes and any import and export duties, fees or taxes shall be the responsibility of Purchaser.

**5. WARRANTY.** MANN+HUMMEL WFS warrants only that all goods manufactured by MANN+HUMMEL WFS shall be free from defects in material and workmanship; provided however, that this warranty shall be limited to goods found to be defective within a period of one (1) year from initial use or fifteen (15) months from the date of shipment, whichever expires first, except as may otherwise be provided in writing (the "Warranty Period").

The sole and exclusive remedy of the Purchaser for any liability of MANN+HUMMEL WFS, of any kind, including (a) warranty, express or implied whether contained in the terms and conditions hereof, or in any additional or supplemental terms (b) contract, (c) negligence, (d) tort, or (e) otherwise, is limited to the repair or replacement, FOB point of manufacture, by MANN+HUMMEL WFS, those goods which after examination by MANN+HUMMEL WFS are deemed to be defective during the Warranty Period. MANN+HUMMEL WFS also has the option to refund to the Purchaser the money paid for such goods. Purchaser and MANN+HUMMEL WFS may mutually agree to acceptance of the goods to be designated "as is" with an agreed upon reduction in price. MANN+HUMMEL WFS will have no obligation to remedy defects unless, within the Warranty Period, Purchaser gives MANN+HUMMEL WFS written notice of its claim and returns the defective goods after receipt of shipping instructions from MANN+HUMMEL WFS to return the goods. Purchaser will ship the goods to MANN+HUMMEL WFS, freight prepaid, and MANN+HUMMEL WFS will return the goods to Purchaser, freight collect. All goods returned for repair or replacement pursuant to this section are to be packaged in accordance with MANN+HUMMEL WFS instructions.

In no event shall MANN+HUMMEL WFS incur any obligation to repair or replace goods which are determined by MANN+HUMMEL WFS to be defective due to customer misuse, or due to use not in accordance with specified operation conditions, and operating and maintenance instructions. MANN+HUMMEL WFS shall not incur any obligation hereunder with respect to goods which are repaired or modified in any way by the Purchaser without MANN+HUMMEL WFS prior written approval.

It is the responsibility of the Purchaser to determine that the goods are safe, lawful and technically suitable for the intended use.

EXCEPT FOR THE EXPRESS WARRANTY STATED HEREIN, MANN+HUMMEL WFS DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE GOODS, INCLUDING ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

**6. CONFIDENTIAL INFORMATION.** The information, drawings and specifications furnished by MANN+HUMMEL WFS have been developed at MANN+HUMMEL WFS expense and shall not be used or disclosed by Purchaser for any purpose other than to install, operate, and maintain the goods supplied hereunder.

**7. DELIVERIES.** The delivery date(s) quoted are based on MANN+HUMMEL WFS best estimate of a realistic time when delivery to the carrier will be made, and are subject to confirmation at time of acceptance of any resulting order. MANN+HUMMEL WFS reserves the right to make either early shipment or partial shipments and invoice Purchaser accordingly.

**8. EXCUSABLE DELAYS.** MANN+HUMMEL WFS shall not be liable for loss, damages, detention, or delays resulting from causes beyond its reasonable control or caused by but not limited to strikes, restrictions of the United States Government, or other governments having jurisdiction, delays in transportation, inability to obtain necessary labor, materials, or manufacturing facilities, or any other cause reasonably beyond its control, whether similar or dissimilar to those listed.

**9. SHIPPING DELAYS.** If the goods are ready to ship in accordance with the terms of sale and Purchaser is not ready to take possession of same, the goods will be "Shipped in Place" (as commonly defined by generally accepted accounting principles), and Purchaser will thereupon assume all responsibility for and risk of loss or damage to the goods. At Purchaser's option, Purchaser may obtain insurance coverage in case of loss or damage to the goods Shipped in Place. Title transfer to the goods will occur at time of invoice. Upon Shipment in Place, MANN+HUMMEL WFS will be entitled to receive payment due upon shipment in accordance with the Payment Terms. Upon Purchaser's request, MANN+HUMMEL WFS will arrange to deliver the goods to a freight forwarder or warehouse for storage. All transport and storage costs shall be the responsibility of Purchaser. Purchaser shall bear all risk of loss or damage during transport and storage.

**10. PATENT INDEMNITY.** If the goods furnished hereunder are specified in this Agreement as being "standard commercial products" of MANN+HUMMEL WFS, MANN+HUMMEL WFS agrees to indemnify Purchaser, its successors, assigns, agents, and users of its products against loss, damage, or liability, including cost and expenses, which may be incurred on account of any suit, claim, judgment or demand involving infringement or alleged infringement of any patent rights in the manufacture, use or disposition of any goods supplied hereunder, provided Purchaser shall promptly notify MANN+HUMMEL WFS of any suit instituted against it and, to the full extent of its ability to do so, shall permit MANN+HUMMEL WFS (at MANN+HUMMEL WFS's sole discretion) to defend the same or make settlement in respect thereto. In the event the goods furnished hereunder are produced to the special specifications of Purchaser, no liability under this paragraph shall arise against MANN+HUMMEL WFS. In like manner, Purchaser agrees to save MANN+HUMMEL WFS harmless from patent infringements resulting from MANN+HUMMEL WFS's compliance with designs and/or specifications not originating with MANN+HUMMEL WFS now or hereafter forming a part of this Agreement or with specific written instructions given by Purchaser for the purpose of directing the manner in which MANN+HUMMEL WFS shall perform this Agreement.

**11. USE OF PRODUCTS.** MANN+HUMMEL WFS grants no license or right, expressly or by implication, estoppel, or otherwise, beyond the right of Purchaser to use the specified goods in the form delivered by MANN+HUMMEL WFS. Further, MANN+HUMMEL WFS's products are offered for sale and are sold subject in every case to the condition that such sale does not convey any license, expressly or by implication, estoppel, or otherwise, under any patent claim with respect to which MANN+HUMMEL WFS could grant licenses covering any other product, or any method or process in which, or in the manufacturing or testing of which, any such MANN+HUMMEL WFS's products are used (notwithstanding that such MANN+HUMMEL WFS products may have been designed only for use in, or may only be useful in, such other patented products or such patented equipment, assembly, method or process, or in the manufacturing or testing thereof, and that MANN+HUMMEL WFS's products may have been purchased and sold for such use). MANN+HUMMEL WFS expressly reserves all its rights under such patent claims.

**12. PROPRIETARY RIGHTS.** The prints, drawings or specifications of MANN+HUMMEL WFS furnished by MANN+HUMMEL WFS to Purchaser in connection with the obtaining or the performance of this Agreement are the property of MANN+HUMMEL WFS and represent a proprietary article with respect to which MANN+HUMMEL WFS retains all United States or foreign letter patent, trademarks or copyrights, including exclusive rights of use, manufacture and sale. Possession by Purchaser of such prints, drawings or specifications does not convey any permission to manufacture, use or sell any goods shown thereon, and such information is disclosed to Purchaser on a confidential basis.

**13. CONFORMANCE WITH LAW.** Purchaser assumes all responsibility for conformance of the goods with laws, rules, regulations and ordinances of any governmental or quasi-governmental agency applicable to the use or operation of the goods.

**14. INSTALLATION / FIELD SERVICE.** Installation of goods furnished hereunder will be by the Purchaser, unless otherwise agreed to in writing. Field service will be provided on a "per diem" basis upon written authorization by the Purchaser and will be at the rates in effect at the time such services are provided. Field service at the job site to diagnose problems with the goods will be provided on a per diem basis at the then current rates,

**15. CANCELLATION.** The cancellation of any order must be by written notice and will be subject to cancellation charges which will include all expenses incurred by MANN+HUMMEL WFS and a reasonable profit on the sale.

**16. RESTOCKING FEE.** If Purchaser orders the wrong goods, they may NOT be returned to MANN+HUMMEL WFS unless the following conditions have been met:

- a. MANN+HUMMEL WFS has authorized the return of the material and has issued a RETURN MATERIAL AUTHORIZATION
- b. the goods are unused and undamaged
- c. the goods are standard MANN+HUMMEL WFS products or parts
- d. the goods are returned with all freight costs paid
- e. the Purchaser pays a restocking fee of twenty-five percent (25%) of the original purchase price of the goods.

NOTE: MANN+HUMMEL WFS will not authorize the return of any chemical products under any circumstances.

**17. CONSEQUENTIAL DAMAGES; LIMITATION OF LIABILITY.** MANN+HUMMEL WFS will not be liable for any lost profits, indirect, special, incidental, or consequential damages of any kind, whether arising under warranty, contract, negligence, strict liability, indemnification, or any other cause or combination of causes whatsoever. This limitation will apply notwithstanding any failure of essential purpose or any limited remedy. In no case will MANN+HUMMEL WFS liability exceed the amount paid to MANN+HUMMEL WFS by the Purchaser for the specific goods giving rise to such liability. Purchaser agrees to indemnify and hold MANN+HUMMEL WFS harmless from and against all liabilities, claims, and demands of third parties of any kind relating to the goods and their use arising after shipment of the goods. In no event shall Purchaser, its successors or assigns, commence any action arising out of the sale, delivery or use of the goods and regardless of the form of action, later than one (1) year after the cause of action has accrued.

**18. MODIFICATION.** No change, modification, or waiver to any terms or scope of the order will be binding and valid unless it is accepted in writing and signed by an authorized representative of MANN+HUMMEL WFS.

**19. ASSIGNMENT.** This order may not be transferred or assigned by Purchaser by operation of law or otherwise, without the prior express written consent of MANN+HUMMEL WFS. Any transfer or assignment of any rights, duties, or obligations hereunder without such consent shall be void.

**20. EXPORT SALES.** Customer agrees to comply with all export laws of the United States and of any country having jurisdiction over Purchaser. Specifically, Purchaser will not, directly or indirectly, sell, export, re-export, transfer, provide, divert, loan, lease, consign or otherwise dispose of goods received in connection with this order to any person, entity, or destination prohibited by the laws or regulations of the United States without obtaining prior authorization from the competent government authorities as required by those laws and regulations.

**21. ANTI-BRIBERY / ANTI-CORRUPTION.** The Purchaser represents and warrants that they understand and comply with the requirements of the United States Foreign Corrupt Practices Act and all other applicable anti-bribery and anti-corruption laws of the jurisdictions under which each party is or may be acting hereunder.

**22. SEVERABILITY.** If any provision defined hereunder is declared invalid by any court or governance agency, all other provisions shall remain in full force and effect.

**23. DISPUTES/GOVERNING LAW.** Any action to enforce or interpret the terms of this Agreement or arising out of this Agreement shall be brought and maintained exclusively in the Superior Court of the State of California, located in Santa Barbara, California, or in the Federal District Court for the Central District of California located in Los Angeles, California. Purchaser and MANN+HUMMEL WFS each irrevocably submits to the exclusive jurisdiction of the aforesaid courts and agrees not to commence any action, suit, or proceeding except in such courts. Purchaser and MANN+HUMMEL WFS irrevocably and unconditionally waive, and agree not to assert, by way of motion or as a defense, counterclaim, or otherwise, in any action or proceeding arising out of or relating to this Agreement (a) any claim that is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure lawfully to serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts, and (c) to the fullest extent permitted by law, that (i) the suit, action or proceeding in any such court is in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. The United Nations Convention on contracts for the international sale of goods do not apply.