



TERMS AND CONDITIONS

February, 2014

1. ENTIRE CONTRACT. THE TERMS AND CONDITIONS SET FORTH BELOW AND ON THE FACE SIDE HEREOF CONSTITUTE THE EXPRESSION OF ALL THE TERMS OF THIS AGREEMENT AND A COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN BUYER AND SELLER. ALL REPRESENTATIONS, PROMISES, WARRANTIES OR STATEMENTS BY ANY AGENT OR EMPLOYEE OF SELLER THAT DIFFER IN ANY WAY FROM THE TERMS AND CONDITIONS HEREOF SHALL BE GIVEN NO EFFECT OR FORCE. Any additional, contradictory or different terms contained in any initial or subsequent order or communication from Buyer pertaining to the Goods described on the face hereof (the "Goods") are hereby objected to. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Agreement.

Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party has knowledge of the nature of the performance and the opportunity for objection. All orders are subject to the approval by Seller at its offices in Cleveland, Ohio. No waiver or alteration of terms herein shall be binding unless in writing, signed by an executive officer of Seller.

2. PRICE. All prices are FCA (domestic) / EXWORKS Strongsville, Ohio, unless otherwise specifically set forth on the face side hereof. Prices stated are subject to change without notice in the event of: (i) alteration in specifications, quantities, designs, or delivery schedules; (ii) increases in the cost of fuel, power, material, supplies, or labor; and/or (iii) foreign or domestic legislation enacted by any level of government, including tax legislation, which increases the cost of producing, warehousing, or reselling the Goods purchased hereunder. No discount will be allowed unless specifically set forth in the face side hereof. Buyer agrees to pay a delinquency charge of 2% per month, or if such rate shall exceed the maximum rate allowed by applicable law, then a delinquency charge calculated at such maximum rate, on the outstanding balances not paid when due, from the date such balances were due until payment with respect thereof is made in full. Until the purchase price and all other sums due pursuant hereto are paid in full, Seller retains a security interest in the Goods and in all proceeds of said Goods. Buyer shall execute financing statement(s) on request and irrevocably authorizes Seller to execute and file same.

3. WARRANTY. Seller warrants goods manufactured by it will be free from defects in material and workmanship for one (1) year following the date of shipment. If any of the Goods are found by Seller to be defective, such Goods will, at the Seller's option, be replaced or repaired at Seller's cost. The parties hereto expressly agree that Buyer's sole and exclusive remedy against the Seller shall be for the repair or replacement of defective Goods as provided herein. The exclusive remedy shall not be deemed to have failed of its essential purpose so long as the seller is willing and able to repair or replace defective Goods in the prescribed manner.



THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE NOT EXPRESSLY SET FORTH HEREIN. NO AFFIRMATION OF SELLER, BY WORDS OR ACTION, OTHER THAN AS SET FORTH IN THIS SECTION 3 OR IN THE ADDITIONAL WARRANTY PROVIDED BY SELLER WITH RESPECT TO ITS MAGNIFICATOR II PRODUCTS AND ACCESSORIES (pages 5 - 6), SHALL CONSTITUTE A WARRANTY. GOODS WHICH MAY BE SOLD BY SELLER BUT WHICH ARE NOT MANUFACTURED BY SELLER ARE NOT WARRANTED BY SELLER, BUT ARE SOLD ONLY WITH THE WARRANTIES, IF ANY, OF THE MANUFACTURERS THEREOF. THIS WARRANTY DOES NOT COVER LABOR OR OTHER COSTS OR EXPENSES TO REMOVE OR INSTALL ANY DEFECTIVE, REPAIRED OR REPLACED GOODS. SELLER'S WARRANTY DOES NOT APPLY TO ANY GOODS WHICH HAVE BEEN SUBJECTED TO MISUSE, MISHANDLING, MISAPPLICATION, NEGLIGENCE (INCLUDING BUT NOT LIMITED TO IMPROPER MAINTENANCE), ACCIDENT, IMPROPER INSTALLATION, MODIFICATION (INCLUDING BUT NOT LIMITED TO USE OF UNAUTHORIZED PARTS OR ATTACHMENTS), OR ADJUSTMENT OR REPAIR PERFORMED BY ANYONE OTHER THAN SELLER OR ONE OF SELLERS AUTHORIZED AGENTS.

Any claim by Buyer with reference to the goods sold hereunder shall be deemed waived by the Buyer unless submitted in writing to Seller within the earlier of (i) thirty (30) days following the date Buyer discovered or by reasonable inspection should have discovered, any claimed breach of the foregoing warranty, or (ii) thirteen (13) months following the date of shipment. Any cause of action for breach of the foregoing warranty shall be brought within one year from the date the alleged breach was discovered or should have been discovered, whichever occurs first.

4. LIMITATION OF LIABILITY. SELLER'S LIABILITY (WHETHER UNDER THE THEORIES OR BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE, OR STRICT LIABILITY) FOR ITS GOODS SHALL BE LIMITED TO REPAIRING OR REPLACING PARTS FOUND BY SELLER TO BE DEFECTIVE, OR AT SELLER'S OPTION, TO REFUNDING THE PURCHASE PRICE OF SUCH GOODS OR PARTS THEREOF. AT SELLER'S REQUEST, BUYER WILL SEND, AT BUYER'S SOLE EXPENSE, ANY ALLEGEDLY DEFECTIVE PARTS TO THE PLANT OF SELLER WHICH MANUFACTURED THEM.

5. DISCLAIMER OR CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION BREACH OF ANY OBLIGATION IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HEREWITH.

Consequential damages for purposes hereof shall include, without limitation, loss of use, income or profit, or losses sustained as the result of injury (including death) to any person, or loss of or damage to property (including without limitation property handled or processed by the use of the Goods). Buyer shall indemnify Seller against all liability, cost or expense which may be sustained by Seller on account of any such loss, damage or inquiry.

6. ACCEPTANCE AND TRANSPORTATION. Upon Buyer's receipt of shipment, Buyer shall immediately inspect the Goods. Unless Buyer provides Seller with "written notice" of any claim



for shortage of or defects (photographs of the damaged unit(s) in the original packing must be supplied with the "notice") in the Goods within forty-eight (48) hours after receipt of shipment, such Goods shall be deemed finally inspected, checked and accepted by buyer.

7. TITLE AND RISK OF LOSS. Title to any Goods sold and risk of loss of such Goods passes to Buyer upon delivery by Seller to carrier, and any claims for losses or damage shall be made by Buyer directly to carrier.

8. CREDIT TERMS. All orders and shipments shall at all times be subject to the approval of the Seller's Credit Department. The Seller reserves the right of declining to make shipment whenever, for any reason, there is doubt as to Buyer's financial responsibility, and Seller shall not in such event be liable for breach or nonperformance of contract in whole or in part.

9. TAXES. Unless otherwise specifically provided on the face hereof, the price for the Goods purchased is net and does not include sales, use, excise or similar taxes, whether federal, state or local. The amount of any such taxes applicable to the Goods shall be paid by Buyer in the same manner and with the same effect as if originally included in the purchase price.

10. PACKAGING. Prices stated are based on Seller's standard packaging, or price list. Seller reserves the right of packaging the goods in pallets, bulk or individual cartons. Packaging will be standard commercial package and acceptable to commercial carrier. Special customer packaging will be furnished only when specified and so stated herein, and the cost thereof shall be borne by Buyer.

11. SHIPPING. In the event the customer's requested or preferred shipping methods is unavailable due to weight, size or delivery schedule, Clark-Reliance reserves the right to ship via "Best Way". Best Way will be determined by the value of the order, destination, and packing method. Clark-Reliance will select the best mode in terms of economy, delivery time, and the risk of loss or damage. The customer will be responsible for the costs for all shipping, and crating charges (if applicable). International Shipping is in accordance with our "International Shipping Policy".

12. EXPORT CONTROL - The goods which are the subject of this document may be subject to export or re-export restrictions pursuant to U.S. Export Administration Regulations and/or regulations of the U.S. Office of Foreign Asset Control or comparable laws and regulations of other countries. Buyer will not make any disposition, by way of transshipment, re-export, diversion or otherwise of the goods in violation of such regulations (as applicable). Buyer represents that it is not on or associated with any party designated on any of the U.S. government restricted parties lists, including without limitation the U.S. Commerce Department Bureau of Industry and Security Denied Persons List, Entity List or Unverified List, the U.S. Treasury Department Office of Foreign Asset Controls Specially Designated National and Blocked Persons List or the U.S. State Department Directorate of Defense Trade Controls Debarred Parties List.

13. DELAYS. Unless expressly specified to the contrary, Goods in stock will be shipped immediately, and Goods not in stock will be shipped as soon as possible. However, all shipping



dates are approximate, and are based upon current availability of materials, present production schedules, and prompt receipt of all necessary information. Seller will not be liable for any damage, loss, fault, or expenses arising out of delays in shipment or other nonperformance of this Agreement caused by or imposed by: (a) strikes, fires, disasters, riots, acts of God, (b) acts of Buyer, (c) shortages of labor, fuel, power, materials, supplies, transportation, or manufacturing facilities, (d) governmental action, (e) subcontractor delay, or (f) any other cause or condition beyond Seller's reasonable control. In the event of any such delay or nonperformance, Seller may, at its option, and without liability, cancel all or any portion of this Agreement and/or extend any date upon which any performance hereunder is due.

14. TERMINATION, CANCELLATION AND CHANGES. Orders cannot be terminated, cancelled or modified, or shipment deferred after acceptance of Buyer's Purchase Order by Seller, except with Seller's written consent and subject to conditions then agreed upon which indemnify Seller against liability and expense incurred and commitments made by Seller and which shall provide for profit on work in process and contract value of products or parts completed and ready for shipment. All "Terminated/Cancelled Orders" or "Change Orders" are invoiced at incurred cost (parts, material and labor).

15. EXPEDITE ORDERS. Customers can request expedited orders outside of our standard delivery schedules. These orders will be reviewed for timing and cost to expedite. All expedited orders will be shipped via best way for fastest delivery and in accordance with our standard shipping terms and conditions, as defined in number 11 above, SHIPPING. The customer will be responsible for the costs of expediting, and all freight charges.

16. PATENTED PROCESS. The purchase of the Goods does not entitle Buyer to employ the same with any patented process owned by Seller or others.

17. PATENT INFRINGEMENT. Except in the case of articles, materials and designs furnished or specified by buyer, Seller, at its own expense, shall defend any suit brought against buyer on the ground that use of the Goods furnished hereunder by Seller infringes any United States Letters Patent existing on date of this agreement, and shall pay the amount of any judgment that may be awarded against Buyer in any such suit, provided and upon condition that Buyer shall have made all payments due under this agreement and shall (i) promptly deliver to Seller all infringement notices and other papers received by or served upon Buyer, (ii) permit Seller to take complete charge of the defense of such suit and to compromise the same, if deemed advisable, and (iii) assist in every reasonable way in the conduct of such defense. In the event that Buyer shall be enjoined by a court of competent jurisdiction from which no appeal can be taken from using the Goods for the intended purpose on the ground that use of the Goods infringes any such United States patent, or if it is established to Seller's satisfaction, upon due investigation, that use of the Goods infringes any such United States Patent, Seller at its option, may either (i) procure for Buyer a license to continue using the Goods, (ii) modify the Goods so as to make them noninfringing without seriously impairing its performance, (iii) replace the Goods with goods which are substantially the equivalent but noninfringing, or (iv) remove the Goods from Buyer's plant, in which event Seller shall refund to Buyer the purchase price less depreciation at the rate of 20% per year. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession and use of the Goods by Buyer. Seller shall



have no obligation whatsoever arising out of any patent infringement claims directed to a process or a method. Buyer agrees to defend and indemnify Seller against any claims or liabilities for, or by reason of, the infringement of any United States Patent arising from the manufacturer of any of the Goods in accordance with specifications furnished by Buyer or from the sale thereof.

18. ADDITIONAL CHARGES. If substitute or additional Goods, or repair parts, are purchased by Buyer from Seller, the terms and conditions of this contract shall be applicable thereto, the same as if such substitute or additional Goods or repair parts had been originally purchased hereunder.

19. EQUAL EMPLOYMENT OPPORTUNITY. The Provisions of the Equal Opportunity Clauses pursuant to Section 202 of Executive Order 11246 as amended, and 41 CFR Section 60-1.40; as well as 29 C.F.R Part 471, Appendix A to Subpart A, are herein incorporated by reference. Further, sellers who (1) are not otherwise exempt as provided by 41 CFR 60-1.5, (2) have 50 or more employees and, (3) have a contract, subcontract or purchase order amounting to \$50,000 that is necessary to the completion of a covered federal contract or subcontract are hereby notified of their obligations to file EEO Standard Form 100 and to prepare an affirmative action plan(s) as required under the regulations set forth above.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

20. GENERAL CONDITIONS. No agent, salesman or other party is authorized to bind Seller by any agreement, warranty, statement, promise or understanding not herein expressed. The sale of Goods pursuant to this order shall be governed by the laws of the State of Ohio. In addition to the rights and remedies conferred upon Seller by law, Seller shall not be required to proceed with the performance of any order or contract, if Buyer is in default in the performance of any order or contract with Seller, and in case of doubt as to Buyer's financial responsibility, shipments under this order may be suspended or sent sight draft with bill of lading attached by Seller. Any clerical errors are subject to correction. No delay or omission by Seller in exercising any right or remedy provided for herein shall constitute a waiver of such right or remedy and shall not be constituted as a bar to or a waiver of any such right or remedy on any future occasion. This contract shall be binding upon and shall inure to the benefit of the successors, and assigns of Buyer and Seller, provided, however, that Buyer may not assign or transfer this contract, in whole or in part, except upon the prior written consent of Seller.

21. ENTIRE CONTRACT. Upon Seller's acceptance of Buyer's order the terms and provisions set forth herein and in Seller's Acknowledgment shall constitute the entire agreement between Buyer and Seller and no statement, correspondence, sample or other term shall modify or affect the terms hereof.



MAGNICATOR II PRODUCT WARRANTY

SECTION I: GENERAL WARRANTY

In addition to the above "Terms and Conditions", Seller provides the following warranty for its JERGUSON Magnicator II® products and accessories (the "Goods"):

Seller warrants Goods manufactured by it will be free from defects in material and workmanship for one (1) year following the date of shipment (the "General Warranty"). If any of the Goods are found by the Seller to be defective, such Goods will, at the Seller's option, be replaced or repaired at Seller's cost. The parties hereto expressly agree that Buyer's sole and exclusive remedy against the Seller shall be for the repair or replacement of defective Goods as provided herein. The exclusive remedy shall not be deemed to have failed of its essential purpose so long as the Seller is willing and able to repair or replace defective Goods in the prescribed manner.

SECTION II: ADDITIONAL MECHANICAL WARRANTY

Solely with respect to the materials and welding comprising the pressure chamber of the Magnicator II, Seller warrants that such materials and welding will be free from defects in material and workmanship for five (5) years following the date of shipment (the "Pressure Chamber Warranty").

SECTION III: ADDITIONAL FLAG INDICATOR WARRANTY

Seller warrants all magnetic flag type indicators will maintain magnetic coupling with the float for a period of (1) year following the date of shipment (the "Flag Indicator Warranty"). Due to lateral motion that can occur during shipment, if the magnetic flag type indicator does not function properly upon installation, Buyer shall perform a "Magnetic Reset," which entails either moving the float upward and downward inside the chamber over the entire indicator range or by rotating each flag by passing a secondary magnet over the front of the magnetic flag indicator. If defects are reported after such "Magnetic Reset" is performed, Seller agrees to repair or replace the flag type indicator at Seller's cost.

SECTION IV: NO OTHER WARRANTIES; CLAIMS

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE NOT EXPRESSLY SET FORTH HEREIN. NO AFFIRMATION OF SELLER, BY WORDS OR ACTION, OTHER THAN AS SET FORTH HEREIN SHALL CONSTITUTE A WARRANTY. GOODS WHICH MAY BE SOLD BY SELLER BUT WHICH ARE NOT MANUFACTURED BY SELLER ARE NOT WARRANTED BY SELLER, BUT ARE SOLD ONLY WITH THE WARRANTIES, IF ANY, OF THE MANUFACTURERS THEREOF. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE FOREGOING WARRANTIES DO NOT COVER LABOR OR OTHER COSTS OR EXPENSES TO REMOVE OR INSTALL ANY DEFECTIVE, REPAIRED OR REPLACED GOODS. SELLER'S WARRANTIES DO NOT APPLY TO ANY GOODS WHICH HAVE BEEN SUBJECTED TO MISUSE, MISHANDLING, MISAPPLICATION, NEGLIGENCE (INCLUDING BUT NOT LIMITED TO IMPROPER MAINTENANCE), ACCIDENT, IMPROPER INSTALLATION, MODIFICATION (INCLUDING BUT NOT LIMITED TO USE OF UNAUTHORIZED PARTS OR ATTACHMENTS), OR ADJUSTMENT OR REPAIR



PERFORMED BY ANYONE OTHER THAN SELLER OR ONE OF SELLER'S AUTHORIZED AGENTS.

Any claim by Buyer with reference to the Goods sold hereunder shall be deemed waived by the Buyer unless submitted in writing to Seller within the earlier of (i) thirty (30) days following the date Buyer discovered, or by reasonable inspection should have discovered, any claimed breach of any foregoing warranty, (ii) thirteen (13) months following the date of shipment for any claimed breach of the General Warranty or Flag Indicator Warranty, or (iii) sixty-one (61) months following the date of shipment for any claimed breach of the Pressure Chamber Warranty. Any cause of action for breach of the foregoing warranties shall be brought within one (1) year from the date of the alleged breach was discovered or should have been discovered, whichever occurs first.

**Anderson Separators® Clark Steam Traps™ Ernst Flow Industries® Enervac™ HYCOA® Jacoby-Tarbox®
Jerguson® Magne-Sonics® National Filtration Systems® Oil Filtration Systems® Reliance® Boiler Trim™**