



TERMS AND CONDITIONS

The following terms and conditions apply to all sales by quadax valves, inc. ("quadax") to the purchaser ("Purchaser") of any and all products manufactured and/or distributed by quadax ("Products") and to all quotations and offers made by and purchase orders accepted by quadax pursuant to an Order Acknowledgement. quadax's acceptance of all orders is expressly limited to, and expressly made conditional on, Purchaser's acceptance of these terms and conditions, subject only to any special terms set forth in the purchase order and confirmed and accepted by quadax in a written order acknowledgement ("Special Invoice Terms") and delivered to Purchaser. The terms and conditions contained herein, subject to any Special Invoice Terms, are the sole terms and conditions on which the order of the Purchaser will be accepted; quadax objects to and hereby rejects any and all different or additional terms and conditions contained in any other document or in any other written or verbal communication. Neither quadax's commencement of performance or shipment or delivery of Products shall be deemed or construed as acceptance of any additional or different terms and conditions. Purchaser agrees that all purchase orders placed by Purchaser shall be governed by these terms and conditions and any Special Invoice Terms, whether or not such terms and conditions accompany quadax's shipment of Products.

1. Purchase Price and Taxes.

a) The purchase prices for Products shall be the amounts set forth in the applicable quadax quotation or invoice. Unless otherwise stated, quadax's quotation shall be null and void unless accepted by Purchaser within thirty (30) days from the date shown on the quotation.

b) Unless otherwise agreed in writing by quadax, such prices do not include any applicable sales, use, excise, property, or other federal, state, county, municipal, local, or foreign taxes, value-added or other indirect taxes, customs duties, tariffs, or other imposts, and any related penalties and interest (collectively, "Taxes"). Purchaser shall pay when due any Taxes in any way relating to the transactions contemplated by these terms and conditions and/or the applicable purchase order or invoice.

2. Terms of Payment and Delivery.

Except where otherwise provided herein or specified in writing by quadax: (a) any and all orders placed by Purchaser shall be paid net thirty (30) days of quadax's invoice; (b) except for first time purchasers (which must pay by credit card), payments may be paid by either credit card, wire transfer, or ACH, provided that, if paid by credit card, Purchaser shall also pay any applicable service fee unless the purchase order is the first sale of Products by quadax to the Purchaser, in which event, payment shall be made by Purchaser with and through a credit card issued to Purchaser and quadax will pay any service fee such that the net price of the Product will not include any such credit card processing fee; (c) Purchaser shall advise quadax which payment method to apply, except for first time purchasers, which must purchase using a credit card; (d) Purchaser shall advise quadax whether freight insurance is desired; (e) all payments shall be made in United States dollars; and (f) Products shall be shipped to Purchaser F.O.B. quadax's facility in Bristol, PA. Purchaser will be charged freight collect unless quadax has agreed, in



writing, to accept another form of payment. An invoice (which may or may not contain Special Invoice Terms) will be forwarded at the time of shipment, and quadax shall use reasonable efforts to ship Products by the method specified by Purchaser; provided, however, that all shipment and delivery dates are approximate. The shipment date is the date when the Products have left quadax's facility. The delivery date is the date when the Products have reached the Purchaser's facility. Shipments of Products are in all cases subject to availability, and partial shipments by quadax of quantities of Products requested in the purchase order are permitted. PURCHASER SHALL NOTIFY QUADAX, WITHIN FIVE (5) BUSINESS DAYS AFTER THE DELIVERY DATE, OF ANY CLAIMED SHORTAGES OR DEFECTS OR REJECTION AS TO ANY PRODUCTS DELIVERED. Such notice shall be in writing and shall be reasonably detailed, stating the grounds for any such rejection. Failure to give any such notice within the five (5) business day period shall be deemed an acceptance in full of the delivered Products. Purchaser shall select the method of shipment, and the carrier selected by Purchaser shall be the agent of Purchaser. The shipment date quoted by quadax is its best estimate and is based upon applicable conditions at the time of quotation, and therefore such date shall be interpreted as being estimated and in no event shall time be of the essence regarding such date. Purchaser may not delay delivery of the Products without quadax's written consent. Purchaser agrees to pay all costs (including without limitation storage expenses) such delay imposes on quadax. If delivery of the Products is delayed by Purchaser without quadax's consent, payment in full of the purchase price for such Products shall become due when Purchaser is notified that such Products are ready for delivery and the Products shall thereafter be held by quadax at Purchaser's risk.

3. Cancellations and Returns; Specifications in Sales Literature Non-Binding.

Orders for Products may be cancelled any time and for any reason by Purchaser prior to shipment. Orders for non-standard items may be cancelled at any time by Purchaser prior to commencement of quadax's production of such Products or the ordering of any supplies needed to produce such Products. ONCE PRODUCTION HAS BEGUN OR SUPPLIES HAVE BEEN ORDERED, PURCHASE ORDERS ARE SUBJECT TO A CANCELLATION FEE. ONCE SHIPPED, ORDERS FOR PRODUCTS MAY NOT BE CANCELLED BY PURCHASER. Except as provided in Section 8, ALL PRODUCTS ARE NON-RETURNABLE AND ALL SALES ARE FINAL. Weight, dimensions, and other specifications set forth in sales literature are subject to change unless otherwise certified in writing by quadax. quadax may, without affecting its obligations under sales or purchase order, make changes in the specifications of the Products delivered under a sales or purchase order from those contained in sales literature.

4. Risk of Loss.

Anything herein or in applicable law to the contrary notwithstanding, Purchaser shall bear the risk of loss, deterioration, and damage to the Products from the time they are ready for shipment. Freight insurance may be purchased at Purchaser's option and expense and it shall be the responsibility of Purchaser to advise quadax if freight insurance is desired, as set forth in Section 2. If Purchaser causes a delay in delivery, Purchaser shall bear the risk of loss from the time the Products are ready for shipment.



5. Retention of Title and Granting of a Security Interest.

Until full payment has been made for the Products, quadax shall retain all ownership or and title to the Products. Purchaser hereby grants to quadax a security interest in the Products and the proceeds thereof which security interest shall attach immediately upon title to the Products passing to Purchaser. The security interest shall remain in effect until payment in full has been made by Purchaser for the Products. These terms and conditions constitute a security agreement between Purchaser, as debtor, and quadax, as secured party, under the Uniform Commercial Code as adopted in Pennsylvania (13 Pa.C.S. 1101, et seq.), and quadax has the rights and remedies of a secured party thereunder. Purchaser hereby authorizes quadax to file financing statements to perfect the security interest granted and to do any other act or thing necessary or useful, in quadax's sole and absolute discretion, in perfecting quadax's security interest in the Products and shall cooperate fully with quadax in this regard. Upon (i) any breach by Purchaser of these terms and conditions (including without limitation the failure by Purchaser to timely pay any amount due), or (ii) termination of existence, insolvency, business failure, appointment of a receiver of any part of the property, assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, debtor or any guarantor or surety for Purchaser, quadax may require Purchaser to assemble the Products as collateral and make them available to quadax, as the secured party, at any place to be designated by quadax which is reasonably convenient to both parties. Purchaser agrees to pay all expenses of retaking, holding for sales, and selling (including quadax's reasonable attorneys's fees and legal expenses). Until payment in full has been made, Purchaser shall insure and shall keep insured the Products against loss or damage by fire and other usual perils to the full insurable value thereof and Purchaser hereby assigns to quadax all monies which may become payable under any such policy of insurance; and Purchaser shall cause all such policies to contain a standard mortgage clause acceptable to quadax. If Purchaser defaults in its performance hereunder or if a petition in bankruptcy shall be filed by or against Purchaser or Purchaser shall have made an assignment for the benefit of creditors or shall take advantage of any law for the benefit of debtors or If any action is commenced against Purchaser to cause its assets to be placed under trusteeship or receivership or liquidated for the benefit of creditors or if Purchaser voluntarily or by operation of law shall lose control of the operation of its business, then upon any of the foregoing defaults Buyer will, at the request of quadax, assemble the Products and make them available to quadax at Purchaser's place of business or at such other place as is designated by quadax as reasonably convenient. Any requirements of reasonable notice by one party to the other party shall be met if such notice is sent by regular post to the party's principal place of business at least five days before the time of the event or contemplated action set forth in the notice. Purchaser agrees to pay all expenses of retaking, holding, for sales, selling, and reasonable solicitor's fees and legal expenses allowed by law incurred by quadax in enforcing any of the rights granted to quadax. Upon such default, Purchaser grants quadax authority to enter upon the premises at any time to repossess the Products and hereby waves all rights and claims for trespass or conversion or damages in any manner caused by quadax.



6. Service Fee and Collection Costs.

If Purchaser does not pay for the Products in accordance with the terms of Section 2, Purchaser shall pay interest in the amount of 1.5% per month computed for each twenty-four (24) hour period during which payment remains in arrears.

7. Acceleration.

Upon any breach by Purchaser of these terms and conditions (including without limitation the failure by Purchaser to timely pay any amount due), quadax may demand immediate payment of any and all amounts owed by Purchaser to quadax hereunder or under another contract of sale between Purchaser and quadax. Additionally, quadax may, by written notice to Purchaser, cancel any previously accepted purchase order for which Purchaser has not made payment; provided that any such cancelation shall not relieve Purchaser of any amounts owed hereunder, including for products for which production has begun or special supplies have been ordered.

8. Warranties and Purchaser's Remedies.

quadax warrants that the Products delivered hereunder, so far as the same have been manufactured by it, shall be free from defects in material and workmanship. quadax shall be liable to Purchaser for any such defects in material and workmanship of the Products as follows, to the exclusion of any other claims:

- a) Should any part of the Products be found (under normal use and service) within twelve (12) months after date of shipment from quadax to have been defective when shipped, quadax's sole obligation will be to repair or replace said part (in its sole discretion) at quadax's plant. The discovery of defects must be immediately reported in writing to quadax. Defective parts replaced by quadax are the property of quadax. The repaired or replaced Products are warranted to be free from defects in material and workmanship under normal use and service for a period of 90 days from the date that the repaired or replaced parts are shipped from quadax's plant, or until the termination of the original warranty, whichever is longer. Purchaser shall be responsible for all removal, installation, packaging, shipping, insurance, and freight costs to return and replace non-conforming goods. quadax shall in no way be liable for changes, alterations, attachments, repairs, or modifications, and this warranty shall not apply if the Products have been damaged by misuse, negligence, or accident, if Purchaser fails to use the Products (or any accompanying supplies or materials) in accordance with quadax's specifications), or if Purchaser is in default of its obligations hereunder.
- b) quadax's liability hereunder will expire twelve (12) months after the transfer of risk from quadax to Purchaser, unless shipment is delayed for reasons caused by quadax, in which event quadax's liability hereunder will expire twelve (12) months after the date of shipment to Purchaser.



- c) quadax shall also transfer to Purchaser all warranties, if any, that quadax has received from a third-party manufacturer only to the extent provided and permitted by such third-party manufacturer and subject to all conditions of such manufacturer's warranty. Should any Products be found not to conform with such manufacturer's warranty during the warranty period, Purchaser shall promptly notify quadax, and quadax shall, at its sole option, (i) contact the manufacturer and request that it provide to Purchaser the remedy available from the manufacturer, if any; (ii) repair or replace the defective Product; or (iii) refund to Purchaser or issue a credit to Purchaser for the purchase price of the defective Products. This shall be quadax's sole and exclusive liability and Purchaser's sole and exclusive remedy with respect to third party warranties. QUADAX SHALL NOT BE LIABLE FOR ANY CHANGES OR MODIFICATIONS BY THE MANUFACTURER IN THE DESIGN OR CONSTRUCTION OF PRODUCTS.
- d) Any and all returns pursuant to Purchaser's warranty claim will be subject to quadax's Return Material Authorization (RMA) procedures (available on the quadax website). Purchaser's claim must be made in writing and delivered to quadax within the warranty period. Purchaser must return alleged non-conforming goods to quadax within sixty (60) days after Purchaser's receipt of a RMA number from quadax. Freight costs to return non-conforming goods will be at quadax's expense, unless quadax rejects the warranty claim in which case the Purchaser shall be responsible for such costs.
- e) Unless otherwise agreed by quadax, Purchaser will not have the right to claim compensation or to set-off against any amounts which become payable to quadax herein or otherwise. If quadax agrees to recognize such a claim, the obligations of Purchaser to pay interest in accordance and otherwise comply with Section 6 hereof shall not be affected.

quadax shall not be liable for damages caused by (a) use of the Products in any manner other than the use expressly specified (e.g., with regard to pressure, temperature, etc.) and/or use of the Products for other media than was communicated to quadax by Purchaser upon execution of the purchase order, (b) unsuitable or improper use, defective installation, or improper startup by Purchaser or third parties, (c) normal wear and tear, (d) defective or negligent handling by Purchaser or third parties, (e) use with or exposure to unsuitable consumables or substitute materials or chemical, electrochemical, or electrical influences.

Notwithstanding the foregoing, the warranty of the Products shall be immediately rendered void if the tape/tamper seal on the subject Product has been broken after the Products are ready for shipment.

9. **DISCLAIMER OF ALL OTHER WARRANTIES.**

ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE HEREBY EXCLUDED. IN PARTICULAR, QUADAX EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OR ARISING BY USAGE OF TRADE OR COURSE OF DEALING, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR



PURPOSE AND WARRANTY AGAINST INFRINGEMENT. Notwithstanding anything in these terms and conditions to the contrary, no warranty is given that the Products meet any requirements, specifications, plans, or shop drawings provided by Purchaser, and no warranty is given for any particular application or use by Purchaser, whether communicated to quadax or otherwise. quadax shall not be liable to Purchaser for any technical assistance or information related to the Products given by quadax or any suggestions by quadax regarding the use, selection, application, or suitability of the Products by Purchaser.

10. LIMITATION OF LIABILITY.

QUADAX'S LIABILITY TO PURCHASER FOR DEFECTIVE OR NON-CONFORMING PRODUCTS, FOR DELAY IN SHIPMENT OR DELIVERY, OR FOR ANY OTHER BREACH OF THESE TERMS AND CONDITIONS, SHALL BE LIMITED TO ITS OBLIGATIONS AS STATED IN THESE TERMS AND CONDITIONS. QUADAX SHALL NOT BE LIABLE FOR ANY DELAYS OR DAMAGES CAUSED BY ANY THIRD PARTY CARRIER OF SHIPPED PRODUCTS OR BY ANY FORCES OR EVENTS OUTSIDE OF QUADAX'S REASONABLE CONTROL.

- a) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, PURCHASER EXPRESSLY AGREES THAT QUADAX SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOSS OF BUSINESS OR LOSS OF GOOD WILL, WHETHER CLAIMED UNDER CONTRACT, TORT, INDEMNITY OR ANY OTHER LEGAL THEORY.
- b) PURCHASER EXPRESSLY AGREES THAT UNDER NO CIRCUMSTANCES SHALL QUADAX'S TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS OR ANY SALE HEREUNDER (INCLUDING BUT NOT LIMITED TO ANY WARRANTY CLAIMS HEREUNDER) EXCEED THE TOTAL AMOUNT THAT PURCHASER HAS PAID TO QUADAX HEREUNDER FOR THE PURCHASE OF THE PRODUCTS THAT ARE THE SUBJECT OF SUCH LIABILITY.
- c) Any action for breach herein or any other action otherwise arising hereunder must be commenced within twelve (12) months after the cause of action accrues, or such action shall be deemed barred.

11. Purchaser's Remedies Exclusive.

Purchaser's remedies set forth herein shall be the sole and exclusive remedies of Purchaser and quadax's sole and exclusive liability.

12. Indemnification.

Purchaser shall indemnify, defend, and hold quadax harmless against any expense or liability from claims arising from or related to (i) unfair competition or infringement or contributory



infringement of any patents, trademarks or copyrights related to any Built-to-Spec Products sold hereunder or to Purchaser's use of any Product in a manner other than its intended use or in combination with any products not supplied by quadax; and (ii) Purchaser's failure to pay any Taxes payable upon the transactions contemplated by these terms and conditions.

13. Force Majeure.

quadax shall be excused from liability arising from unusual delays or failure to deliver or fill any purchase order where caused by acts of nature, fires, floods, strikes, work stoppages, civil unrest, riots, wars, acts of terror, accidents, allocations or other controls, or regulations, including export or import regulations of any foreign or U.S. federal, state or local government, shortage of trucks or any other means of transportation, fuels, materials or labor, or any other cause beyond quadax's reasonable control, whether or not similar in kind or class to those mentioned.

14. Governing Law/Dispute Resolution.

This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, United States, without regard to principles of conflict of laws. Any and all disputes pertaining to or arising out of these terms and conditions shall be determined exclusively by binding arbitration in Philadelphia, Pennsylvania by the American Arbitration Association ("AAA") in accordance with the commercial arbitration rules of AAA then in effect, by a single arbitrator mutually selected by the parties. If the parties cannot agree upon an arbitrator, an arbitrator will be appointed by AAA. Any award arising out of such arbitration shall be subject to entry as a judgment by any court of competent jurisdiction in the United States. Any action to confirm or vacate such an award must be brought in either the Court of Common Pleas of Philadelphia, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania. Purchaser consents to personal jurisdiction and venue in such courts and waives any challenge to personal jurisdiction or venue in such courts. Notwithstanding the forgoing, quadax has the right to file a claim of action to enforce its rights hereunder, including without limitation actions for non-payment, in any court of competent jurisdiction within the Commonwealth of Pennsylvania or in the jurisdiction where Purchaser's headquarters are located. In the event of any arbitration, litigation, or other dispute arising as a result of or by reason of these terms and conditions, the prevailing or substantially prevailing party in any such dispute shall be entitled, in addition to any other damages assessed, to its reasonable attorneys' fees and all other costs and expenses incurred in connection with settling or resolving such dispute. The application of the United Nations Convention on the International Sale of Goods is expressly excluded.

15. Miscellaneous.

A waiver by either party hereto of any term or condition hereof shall not be construed as a waiver or modification of any other term or condition hereunder or any other contract between the parties. No rights or remedies are waived or modified by quadax unless expressly waived in writing by quadax. If any part of these terms and conditions is held void or unenforceable, such



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part shall be treated as severable, leaving valid the remainder. quadax's remedies herein provided shall be cumulative and in addition to any other or further remedies provided by law or equity. Purchaser may not assign its rights or obligations hereunder without quadax's prior written consent. Any purported assignment in contravention of the foregoing shall be void.