

GENERAL TERMS AND CONDITIONS OF SALE
KEMPER VALVE & FITTINGS CORP.

These General Terms and Conditions of Sale (“Terms and Conditions”) shall govern the sale by Kemper Valve & Fittings Corp. (“Seller”) of any and all products that Seller manufactures or assembles (“Products”) to any purchaser of such Products (“Buyer”) named in any agreement for the sale of Products that references these Terms and Conditions. A valid agreement binding upon Seller (an “Order”) will only come into being as of the time a formal written acknowledgment of Buyer’s purchase order is sent to Buyer by Seller. Products include but are not limited to Manifold Products. As used herein, “Manifold Products” means (i) any manifold trailers, (ii) ground manifolds, and (iii) multiple valve configuration dual choke manifolds.

1. TERMS OF PAYMENT.

Payments are to be made in U.S. Dollars in the United States unless otherwise specified. All invoices shall be payable within thirty (30) days of the receipt of such invoice by Buyer. Seller may charge Buyer a payment charge of 1% per month on all past due invoices and unpaid balances. Shipments and deliveries hereunder, shall at all times be subject to the judgment of Seller that the financial condition of Buyer at all times justifies continuance of shipments and deliveries hereunder. If Buyer shall fail to make any payments in accordance with the terms and provisions hereof, Seller, in addition to its rights and remedies, but not in limitation thereof, may at its option, defer shipments or deliveries hereunder, or under any other contract with the Buyer, except upon receipt of satisfactory security or of cash before shipment. All prices for Products are based on delivery to Buyer pursuant to the Incoterm identified in Section 4, unless otherwise expressly stated in an Order. Seller reserves the right to adjust the purchase price at any time in accordance with increases in the cost of goods, change of specification, labor rates and services used in the manufacture of the Products. All quotations issued by Seller for the supply of Products shall remain open for the acceptance period specified in the quotation or, if no acceptance period is specified, for fifteen (15) days.

2. WARRANTY.

Seller warrants Products of its manufacture to be free from defects in workmanship and materials used in their manufacture during the following warranty period (“Warranty Period”): (i) for all Products other than Manifold Products, for a period of (1) year from date of shipment, and (ii) for Manifold Products for a period of (thirty (30) days from date of shipment. The warranty will cover Products, on a unit by unit basis, only for claims made for any such defect during the Warranty Period. Subject to the provisions of this Section 2 below, Supplier’s sole and exclusive obligation under this warranty shall be to repair or replace (or cause to be repaired or replaced), at Seller’s sole discretion, free of charge to Buyer, any Products which in Seller’s sole judgment, are proven to be defective under normal use and service.

- a. If in Seller's discretion, repair or replacement will not remedy a claimed Product deficiency, or if a Product of Seller's manufacture does not comply with the description or specification set forth on Seller's acknowledgement and acceptance of an Order, Seller's liability shall be limited to repayment to Buyer of any purchase price amount paid by Buyer, cancellation of the Order, and acceptance of the return of the Product, provided that if the Product has been in use for a period in excess of 30 days, Seller reserves the right to deduct from such repayment a reasonable depreciation charge for such use.
- b. Any defective Products to be returned to Seller shall be sent by Buyer EXW (Incoterms 2010) Buyer’s facility, to the address instructed by Seller. All Products supplied by Seller to replace any defective Products under warranty shall be delivered by Seller in accordance with the Incoterm set forth in Section 4.

- c. Seller does not in any manner whatsoever warrant seals or packing materials in equipment handling, special or corrosive fluids or operating at unusual temperatures or pressure. Further, Seller does not guarantee any product not of Seller's manufacture or special plating, coatings, or heat treatment applied to Seller's Product. Seller recommends against and will not assume any responsibility for rebuilding, repairing, special plating, coating, welding, or heat treating done outside Seller's plant by or at the request of the Buyer.
- d. Seller shall have no liability with respect to any third party machinery, equipment, parts or materials incorporated into, accompanying or forming any part of the Products ("Third Party Products"), and that the warranty provisions of this Section shall not apply to any Third Party Products.
- e. All replacement parts and repaired Products are warranted through, but not beyond the original Warranty Period applicable to the part or parts so replaced or repaired, as the case may be.
- f. All warranty work will take place in Seller's sole discretion at Buyer's place of business or at Seller's factory, and all warranty work must be performed by Seller or a service provider authorized by Seller.
- g. Buyer will give Seller prompt notice of any warranty claim and will promptly make the affected Product available for repair. If requested by Seller, Buyer will provide Seller with reasonable access to the site where the Products are located.
- h. Notwithstanding the foregoing, the Seller shall have no obligation hereunder if the Products or parts become defective in whole or in part as a result of removal, improper use, operation above specified performance, or misapplication thereof after delivery to Buyer.

EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN, THE PRODUCTS ARE PROVIDED ON AN "AS-IS" BASIS AND SELLER EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, COVENANTS, GUARANTEES AND/OR ASSURANCES, EXPRESS OR IMPLIED, RELATING TO OR ARISING OUT OF THE PRODUCTS, ANY ORDER, AND/OR THESE TERMS AND CONDITIONS, INCLUDING ANY REPRESENTATIONS, WARRANTIES, COVENANTS AND/OR GUARANTEES AS TO ACCURACY, UNINTERRUPTED OR ERROR-FREE OPERATION, ACCESSIBILITY, SECURITY, MERCHANTABILITY, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, QUALITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING BY STATUTE OR OTHERWISE, OR FROM A COURSE OF DEALING OR USAGE OR TRADE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY SELLER OR ANY AUTHORIZED REPRESENTATIVE OF SELLER SHALL CREATE A REPRESENTATION, WARRANTY, COVENANT, GUARANTEE AND/OR ASSURANCE. ANY SUCH INFORMATION OR ADVICE IS GIVEN AND ACCEPTED AT BUYER'S OWN RISK.

3. LIMITATION ON LIABILITY.

NEITHER SELLER NOR ANY OF ITS AFFILIATES, SUBCONTRACTORS, AGENTS AND/OR EMPLOYEES SHALL BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PRODUCT, LOSS OF PROFIT, LOSS OF USE, OR LOSSES RESULTING FROM OR RELATED TO DOWNTIME OF THE PRODUCT, 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 PRODUCT), HOWSOEVER CAUSED, AND WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. THE TOTAL LIABILITY OF SELLER, ITS AFFILIATES, SUBCONTRACTORS, AGENTS AND EMPLOYEES ARISING

OUT OF THE PERFORMANCE OR NONPERFORMANCE OF THE ORDER OR ITS OBLIGATIONS IN CONNECTION WITH THE DESIGN, MANUFACTURE, SALE, DELIVERY, STORAGE, ERECTION OR USE OF PRODUCTS OR THE RENDITION OF ANY WORK OR SERVICES IN CONNECTION THEREWITH, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL NOT EXCEED IN THE AGGREGATE A SUM EQUAL TO THE ORDER PRICE. THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 3 SHALL PREVAIL OVER ANY CONFLICTING OR INCONSISTENT PROVISIONS.

4. DELIVERY/CHANGES.

All Products sold to Buyer will be delivered EXW (Incoterms 2010) Seller's point of manufacture. The risk of loss or destruction of, or damage to, the Products will pass to Buyer upon delivery in accordance with such Incoterm. Shipment dates are approximate and are based upon the receipt of all necessary information. Seller will not be liable for any late penalty charges, any liability for special, indirect and consequential damages, such as economic loss, due to delay whatsoever. Delivery terms are subject to change after notice from Seller to Buyer. Seller reserves the right to change the details, such as specifications or components, of any Products provided that such change shall not impair the performance or critical dimensions of the Products. All claims for shortages must be made within 30 days after shipment

5. EXCUSABLE DELAY.

Seller shall not be liable to Buyer for any loss or damage suffered by the Buyer, directly or indirectly, as a result of Seller's failure to perform, or delay in performing, any obligation under the Order, where such failure or delay is caused by fires, floods, labor troubles (including, without limitation, strikes, slow downs and lockouts), war, civil disturbances, government regulations, inability to obtain or revocation of export or import licenses, inability to obtain goods or services from our suppliers, interruptions of or delay in transportation, material shortages, power failures, accidents, acts of God, or other causes of like or different character beyond Seller's control.

6. SPECIFICATIONS.

All published dimensions, weights, temperature and pressure ratings of Products are approximate unless otherwise expressly agreed by Seller.

7. TITLE AND INSURANCE.

Seller assumes no responsibility for insuring Products after delivery unless specifically requested by Buyer and then only at Buyer's expense and valuation. Title to all Products will pass from Seller to Buyer upon delivery.

8. TAXES.

Buyer shall pay the amount of any sales, use, compensation, intangibles, gross income or like tax, import duties, export duties, and similar charges levied by any government authority in connection with the Order, but not including taxes payable on Seller's net income.

9. ORDER CANCELLATION.

The Order will be subject to cancellation with Seller's written consent and only upon payment to Seller of reasonable cancellation charges, which shall take into account expenses already incurred, commitments made by Seller and Seller's anticipated profit. Products incorporating variations from catalog items or

specifications are considered special and are subject to cancellation only with Seller's concurrence. Items delivered as ordered may be returned unused for credit only upon Seller's approval, and such accepted returns may in Seller's discretion be subject to a restocking charge of ten percent (10%). No item will be accepted for credit after 180 calendar days from date of purchase.

10. SECURITY INTEREST.

Title to the Products supplied under the Order, and to any and all additions and accessories thereto and substitutions therefore, shall remain in Seller as a security interest until Buyer has completed payment of the purchase price, plus accrued interest if any. Seller reserves the right to retain possession of the Products until the purchase price is fully paid.

11. PATENTS.

Except in the care of articles, materials and designs furnished or specified by the Buyer, Seller will defend at its own expense any action brought against Buyer, to the extent that it is based on a claim that the Products furnished by Seller infringe a U.S. patent, and Seller will pay those costs and damages finally awarded against Buyer in any such action which are attributable to any such claim, but such defense and payments are conditioned on the following: (a) that Seller shall be notified promptly in writing by Buyer of any notice of such claim and assist in every reasonable way in the conduct of such defense, and (b) that Seller shall have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; and (c) should the Products become or in Seller's opinion be likely to become the subject of a claim of infringement of a U.S. Patent, Buyer shall permit Seller at its option and expense to either (i) procure for Buyer the right to continue using the Products, (ii) to replace or modify the same so that it becomes non-infringing or (iii) accept the return of the Product from the Buyer, in which event the Seller shall refund the Buyer the purchase price less depreciation at the rate of 15 percent per year (measured from the date Seller shipped the Product). The foregoing states the entire liability of Seller with respect to infringement of patents by the goods or any part thereof. Buyer shall hold Seller harmless against any expense, judgment or loss on account of any actual or alleged infringement of any patents, copyrights, or trademarks which result from Seller's compliance with Buyer's designs, specifications or instructions.

12. SAFETY ISSUES.

It is understood that Seller has relied upon data furnished by and on behalf of Buyer with respect to the safety aspects of the Products supplied hereunder and/or representation by or on behalf of Buyer that such Product will not be applied or used by Buyer or its customers in such a way as to detract materially from, their safety in use, including, without limitation, in the manufacture of a Product of which such Products will be a part, and that it is the Buyer's responsibility to assure that such Products, when installed and put in use, will be in compliance with safety requirement fixed by applicable law, as well as normal and customary industry standards and practices, and will be otherwise legally adequate to safeguard against injuries to persons or property. **BUYER HEREBY AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND SELLER, AND ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS AGAINST ANY AND ALL LOSSES, COSTS, DAMAGES, CLAIMS, LIABILITIES OR EXPENSES, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES ARISING OUT OF ANY INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY CAUSED BY THE INADEQUACY IN THE PRODUCTS SUPPLIED HEREUNDER OF THE SAFETY FEATURES, DEVICES OR CHARACTERISTICS SPECIFIED HEREIN, OR IN THE INSTALLATION, USE OR OPERATION OF SUCH PRODUCTS, EXCEPT CLAIMS SOLELY FOR REPAIR OR REPLACEMENT OF DEFECTIVE PARTS COVERED BY THE WARRANTY SET FORTH IN SECTION 2 HEREOF.**

13. Ethical Business Conduct.

Buyer agrees to comply with all applicable anti-bribery, anti-corruption, anti-money laundering, fraud, and trade laws, including but not limited to national, state, and local laws, rules, regulations, directives, or statutes regarding anti-bribery, anti-corruption, anti-money laundering, fraud, and trade, as may be amended from time to time in the United States, the European Union, the United Kingdom, Switzerland, and all other applicable countries, including but not limited to: (i) the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1, *et seq.*); (ii) the UK Bribery Act 2010; (iii) the U.S. Export Administration Regulations (15 CFR Chapter VII); (iv) regulations administered by the U.S. Treasury Department Office of Foreign Assets Control (31 CFR Chapter V) and the U.S. Department of State, as well as all applicable Executive Orders that have or may be enacted relating to sanctions programs administered by the U.S. Treasury Department's Office of Foreign Assets Controls and the U.S. Department of State; and (v) the U.S. International Traffic in Arms Regulations (22 CFR Chapter I, Subchapter M). Buyer shall not make, offer or promise to make, or agree to make any loan, gift, donation, payment, or transfer of any other thing of value, whether in cash or in kind, directly or indirectly, for a corrupt purpose, to or for the benefit of any person or class of persons in a position of trust at a public or private entity in order to obtain or retain business or to secure any improper advantage in connection with any business activity related to Seller or any of its affiliates.

14. GENERAL.

The Order is not assignable by Buyer without written approval of Seller. Waiver by Seller of a breach of any of the Terms and Conditions of this or any other agreement with Buyer shall not be construed as a waiver of any other breach.

15. ENTIRE AGREEMENT.

These Terms and Conditions constitute the entire agreement between Seller and Buyer, and such agreement may not be modified or amended except by a writing executed after the date hereof by an authorized officer of Seller. Seller shall not be bound by any terms of Buyer's purchase order forms or other documents which attempt to impose condition at variance with these Terms and Conditions unless the same shall be specifically agreed to in writing by an authorized officer of Seller. Seller's failure to object to the provisions contained in any of Buyer's forms shall not be deemed a waiver of the provisions of these Terms and Conditions, which shall constitute the entire agreement between, the parties.

16. CHOICE OF LAW & FORUM.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF ILLINOIS AND WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES. BUYER AGREES TO INITIATE ANY DISPUTE RESOLUTION PROCEEDING IN SUCH DESIGNATED STATE AND IRREVOCABLY CONSENTS TO EXCLUSIVE OF THE COURTS LOCATED IN COOK COUNTY, ILLINOIS. EACH PARTY CONSENTS TO THE PERSONAL JURISDICTION OF THE STATE AND WAIVES ANY OBJECTION THAT SUCH COURTS ARE INCONVENIENT FORUM. ANY CLAIM AGAINST THE SELLER SHALL BE INITIATED BY BUYER WITHIN ONE YEAR AFTER THE CLAIM ARISES, OR BE BARRED.