

MANUFACTURER'S CONDITIONS

These conditions apply to all quotations, orders and contracts for Red Valve Company, Inc. ("we," "us" or "our")

1. **CONSTRUCTION AND LEGAL EFFECT:** Our sale to you (defined as the purchaser of goods from us), is limited to and expressly made conditional on your assent to these typed and printed terms and conditions of sale, the face and reverse side hereof ("These Terms"), all of which form a part of the agreement to sell and which supersede and reject all prior writings (including your order), representations, negotiations with respect hereto and any conflicting terms and conditions of yours, any statement therein to the contrary notwithstanding. The sending of the purchase order for the goods referred to herein, whether or not signed by you, or your acceptance of the goods or payment operates as acceptance by you of These Terms. In case of conflict between These Terms and the terms of your purchase order or acceptance, These Terms govern; any different or conflicting terms submitted by you in any purchase order or acceptance shall be deemed objected to by us and shall be of no effect unless specifically agreed to by us in writing. We will furnish only the quantities and goods specifically listed on the face hereof or the pages attached hereto., or any updates or modifications to the same purchase order. We assume no responsibility for other terms or conditions or for furnishing other equipment or material shown in any plans and/or specifications for a project to which the goods quoted or ordered herein pertain or refer. Our published or quoted terms and conditions are subject to change without notice prior to acceptance of order.

2. **PRICES:** Unless otherwise noted on the face hereof, quotations are valid for 30 days, prices are net, FCA Incoterms 2020 our factory. Stenographic, clerical, and mathematical errors are subject to correction. Until acceptance of order on These Terms, quoted prices and delivery are subject to change. Thereafter, unless otherwise noted, prices are firm for shipment of goods within 12 months from the relevant quotation date. Our prices are based on current prices for material. We will endeavor to obtain the lowest pricing on materials from our suppliers, but if a significant material price increase occurs between order acceptance and shipment date, goods scheduled to ship beyond 12 months of the quotation date are subject to a price adjustment by the amount necessary to cover such increase.

3. **DELIVERY:** Dates for the furnishing of services and/or delivery or shipment of goods are approximate only and are subject to change. Quoted lead times are figured from the later of date of acceptance of order on These Terms or from the date of receipt of complete technical data and approved drawings as such may be necessary. We shall not be liable, directly or indirectly, for any delay in or failure to perform caused by carriers or suppliers or delays from labor difficulties, shortages, strikes or stoppages of any sort, failure or delay in obtaining materials, customer requested order changes, fires, floods, storms, accidents, government restrictions, epidemics, pandemics, causes designated acts of God or force majeure by any statute or court of law or other causes beyond our reasonable control.

4. **SHORTAGE, DAMAGE, ERRORS IN SHIPMENT:** Our responsibility ceases upon delivery to carrier. Risk of loss, injury or destruction of property, shall be borne by you from and after our delivery to carrier, and such loss, injury or destruction shall not release you from the obligation to pay the purchase price. You shall note receipt for goods that are not in accordance with bill of lading or express receipt and you shall make claim against such carrier for any shortage, damage or discrepancy in the shipment per the ICC Code for Freight Claims promptly. You shall inspect and examine all items and goods covered by the order when unpacking crated or boxed goods, and if damage is discovered, leave as is until the carrier's agent makes examination and notation on freight or express bill of concealed damage. We will render reasonable assistance to help trace and recover lost goods and collect just claims as a business courtesy, but without obligation. We do not guarantee safedelivery.

5. **TAXES:** Our prices do not include sales, use, excise, occupation, processing, transportation or other similar taxes which we may be required to pay or collect with respect to any of the materials covered hereby under existing or future law. Consequently, in addition to the price specified herein, such taxes shall be paid by you, or you shall provide us with a tax exemption certificate acceptable to the appropriate taxing authorities. You shall also assume and pay any import or export duties and taxes, with respect to the materials covered by the order, and shall hold harmless and reimburse us therefrom.

6. **CREDIT AND PAYMENT:** Unless otherwise noted on the face hereof, payment of goods shall be 100% thirty (30) days net in US dollars. Payment shall be made: (a) in full without set-off, counterclaim, or withholding of any kind; and (b) not contingent on payment from or approval of any third party. Prorated payments shall become due with partial shipments. We reserve the right at any time to suspend credit or to change credit terms provided herein, when, in our sole opinion, your willingness or ability to pay your obligations to us is in doubt. Failure to pay invoices at maturity date, at our election, makes all subsequent invoices immediately due and payable irrespective of terms, and we may withhold all subsequent deliveries until the full account is settled and we shall not, in such event, be liable for non-performance of contract in whole or in part. You agree to pay, without formal notice, 1.5% per month of the amount not paid when due, provided that, if such rate is in excess of applicable governing law, you agree to pay the maximum permitted rate.

7. **CANCELLATIONS AND CHANGES:** Orders which have been accepted by us are not subject to your cancellation or changes in specifications, except upon our written consent, and we may require, as a condition of such consent, appropriate modification charges and adjustments in price, delivery schedule and other relevant terms, and in the case of cancellation, cancellation charges. In the event we accept your cancellation, you shall be liable for a cancellation charge equal to the higher of (i) 25% of the purchase price of the item(s), or (ii) any loss or cost incurred by us, including, but not limited to, cost of materials, labor, engineering, reconditioning and reasonableoverhead.

8. **DEFERRED SHIPMENT:** If shipment is deferred at your request, payment of the contract price shall become due when you are notified that the equipment is ready for shipment. If you fail to make payment and/or furnish shipping instructions, we may either extend time for so doing or cancel the contract. In case of deferred shipment at your request, storage and other reasonable expenses attributable to such delay shall be payable by you.

9. **LIMITED WARRANTY:** Products, auxiliaries and parts thereof that we manufacture for a period of twenty-four (24) months from the date of shipment from our factory, are warranted to the original purchaser only against defective workmanship and material, but only if properly stored, installed, operated, and serviced in accordance with our recommendations and instructions. For items proven to be defective within the warranty period, your exclusive remedy under this limited warranty is repair or replacement of the defective item, at our option, FCA Incoterms 2020 our facility with removal, transportation, and installation at your cost. Products or parts manufactured by others but furnished by us are not covered under this limited warranty. We may provide repair or replacement for other's products or parts only to the extent provided in and honored by the original manufacturers' warranty to us, in each case subject to the limitations contained in the original manufacturer's warranty. No claim for transportation, labor, or special or consequential damages or any other loss, cost or damage is being provided in this limited warranty. You shall be solely responsible for determining suitability for use and in no event shall we be liable in this respect. This limited warranty does not warrant that any product or part we manufacture is resistant to corrosion, erosion, abrasion or other sources of failure, nor do we warrant a minimum length of service. Your failure to give written notice to us of any alleged defect under this warranty within twenty (20) days of its discovery, or attempts by someone other than us or our authorized representatives to remedy the alleged defects therein, or failure to return product or parts for repair or replacement as herein provided, or failure to store, install, or operate said products and parts according to the recommendations and instructions furnished by us shall be a waiver by you of all rights under this limited warranty. This limited warranty is voided by any misuse, modification, abuse or alteration of our product or part, accident, fire, flood or other Act of God, or your failure to pay entire contract price when due. The foregoing limited warranty shall be null and void if, after shipment from our factory, the item is modified in any way or a component of another manufacturer, such as but not limited to; an actuator is attached to the item by anyone other than our factory authorized service personnel. All orders accepted shall be deemed accepted subject to this limited warranty, which shall be exclusive of any other or previous warranty, and this shall be the only effective guarantee or warranty binding on us, despite anything to the contrary contained in the purchase order or represented by any agent or employee of ours in writing or otherwise, notwithstanding, including but not limited to implied warranties.

THE FOREGOING REPAIR AND REPLACEMENT LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY OR OTHERWISE, EXPRESSED OR IMPLIED IN FACT OR BY LAW, AND STATE OUR ENTIRE AND EXCLUSIVE LIABILITY AND YOUR EXCLUSIVE REMEDY FOR ANY CLAIM IN CONNECTION WITH THE

SALE AND FURNISHING OF SERVICES, GOODS OR PARTS, THEIR DESIGN, SUITABILITY FOR USE, INSTALLATION OR OPERATIONS. NEITHER ANY PERFORMANCE OR OTHER CONDUCT, NOR ANY ORAL OR WRITTEN INFORMATION, STATEMENT OR ADVICE PROVIDED BY US OR ANY OF OUR EMPLOYEES OR AGENTS WILL CREATE A WARRANTY, OR IN ANY WAY INCREASE THE SCOPE OR DURATION OF THIS LIMITED WARRANTY.

10. **INTELLECTUAL PROPERTY:** We shall indemnify and hold you harmless from any amount that you are required to pay to a third-party pursuant to final, non-appealable court order as a result of such third-party's claim that a product sold hereunder infringes any United States patent or copyright of such third party; provided that our obligation of indemnification is contingent upon (a) your notifying us in writing of any such claim within 20 days of receipt thereof, (b) your providing us with exclusive control of the defense and/or settlement thereof, and (c) your cooperating with us in such defense and/or settlement. In the event of such a successful infringement claim by the third party, at our option, we shall either (i) modify the product sold hereunder so that it performs comparable functions without infringement, (ii) obtain a royalty-free license for you to continue using the infringing product or (iii) refund to you the then-depreciated fair market value of the infringing component. We shall have no obligation under this Section to the extent a claim is based upon (a) the combination, operation or use of the product with equipment, products, hardware, software, systems or data that was not provided by us, if such infringement would have been avoided in the absence of such combination, operation or use, or (b) your use of the product in any manner inconsistent with our written materials regarding the use of such product. This Section states our entire liability and your exclusive remedy with respect to any alleged infringement arising from the use of the products sold hereunder or any part thereof and is subject to the other limitations contained in These Terms.

11. **LIMITATION OF LIABILITY:** IN NO EVENT SHALL WE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, DAMAGE TO OR LOSS OF OTHER PROPERTY OR EQUIPMENT, BUSINESS INTERRUPTION, COST OF SUBSTITUTE PRODUCTS, LOSS OF TIME, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL, LOSS OF USE, OR DIMINUTION IN VALUE) WHATSOEVER, AND OUR LIABILITY, UNDER NO CIRCUMSTANCES, WILL EXCEED THE CONTRACT PRICE FOR THE GOODS AND/OR SERVICES FOR WHICH LIABILITY IS CLAIMED. ANY ACTION FOR BREACH OF CONTRACT BY YOU, OTHER THAN RIGHTS RESPECTING OUR LIMITED WARRANTY DESCRIBED IN SECTION 9 ABOVE, MUST BE COMMENCED WITHIN 12 MONTHS AFTER THE DATE OF SALE.

12. **EXPORT CONTROL COMPLIANCE:** You agree and acknowledge that the products are sold in accordance with U.S. export control and sanctions laws, regulations and orders, as they may be amended from time to time. You agree to ascertain and comply with all applicable export and re-export obligations and restrictions, including without limitation, U.S. export and re-export controls under the Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), and all regulations and orders administered by the U.S. Department of Treasury, Office of Foreign Assets Control (collectively, "U.S. Export Control Laws"). If you are conducting the export from the United States or the re-export from a country outside the United States, you shall comply with such U.S. Export Control Laws and obtain any license or other authorization required to export or re-export the products and related technology. We shall reasonably cooperate and exercise reasonable efforts, at your expense, to support you in obtaining any necessary licenses or authorizations. You shall not export or re-export the products and/or related technology to any country or entity to which such export or re-export is prohibited, including, but not limited to any country or entity under sanction or embargoes administered by the United States. Any diversion contrary to the law of the United States is prohibited. You will not take, and will not solicit us to take, any action that would violate any anti-boycott or any export or import statutes or regulations of the United States or other governmental authorities, and shall defend and indemnify us for any loss or damage arising out of or related to such actions.

13. **GENERAL COMPLIANCE WITH LAWS.** In addition to your obligations under Section 12 above, you represent and warrant that, in performing your duties under this Agreement, you will comply with, at your sole expense, all applicable laws and regulations of any governmental authority, including, but not limited to your duties involving any required registrations, requirements as to product contents, packaging and labeling, restraint of trade, consumer laws, data privacy, export regulations, and environmental laws. You agree and acknowledge you have had an opportunity to obtain legal advice regarding, and currently comply with, all applicable legal requirements that prohibit unfair, fraudulent or corrupt business practices, including, but not limited to the U.S. Foreign Corrupt Practices Act (FCPA) as well as U.S. and other legal requirements that are designed to combat terrorism and terrorist activities. In addition, neither you nor any of your equity interest owners, officers or directors are named as a "specially designated national" or "blocked person" as designated by the United States Department of the Treasury's Office of Foreign Assets Control under the U.S. PATRIOT Act.

14. **INDEMNIFICATION BY YOU.** You will indemnify, defend and hold us and our corporate parents and other affiliates and their respective officers, directors, stockholders, members, insurers, attorneys, employees, agents, successors, predecessors, assigns, heirs and personal representatives harmless against any and all liability, claims, suits, actions, losses, liabilities, damages, costs and legal fees arising out of or related to: (i) any conduct of you or any related party as described in Sections 12 or 13 above; or (ii) your breach of any other provision herein.

15. **PROPRIETARY INFORMATION:** All specifications, drawings, data, manuals, designs, information, ideas, methods, patterns and inventions made, conceived, developed or generated by us incident to the procurement or performance of this order ("Work Product") will vest in, inure to and be the sole property of us. You will not copy, publish or otherwise disclose, in whole or in part, to others such Work Product without the express prior written permission of us. You will not use information furnished hereunder for any purpose other than for operation and maintenance of the goods and services or for any purpose other than as explicitly intended by us. The rights and obligations in this Section 15 will survive termination or expiration of this order. .

16. **ARBITRATION:** Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The venue for such proceedings shall be St. Cloud, MN.

17. TEXAS WAIVER OF CONSUMER RIGHTS: If you are entitled to its protection, you hereby agree to waive your rights under the Deceptive Trade Practices-Consumer Protection Act, Section 17.41 et seq., Business & Commerce Code, a law that gives consumers special rights and protections. You warrant that, after consultation with an attorney of your own selection, you voluntarily consent to this waiver.

18. **APPLICABLE LAW:** The rights and duties of the parties shall be governed by the laws and exclusive jurisdiction of the State of Minnesota without regard to the conflict of law principles thereof. You agree the United Nations Convention on Contracts for the International Sale of Goods or any subsequently enacted treaty or convention shall not apply to These Terms.

19. **NO OTHER CONTRACT PROVISIONS; OTHER:** These Terms reflect the entire agreement with respect to the products. Terms and conditions of your order shall be without force and effect, except to the extent identical herewith. No dealer, broker, branch manager, agent, employee or representative of ours has any power of authority except to take orders for our products and to submit the same to us, at our factory, for our approval and acceptance on the terms herein or rejection. There are no representations, agreements, obligations, or conditions, expressed or implied, statutory or otherwise, relating to the subject matter hereof, other than herein contained. Red Valve Company, Inc. and related terms (we, us and our) shall refer to Red Valve Company, Inc. and its affiliates. If any provision hereof is invalid or not enforceable under applicable law, the remaining provisions shall remain in full force and effect. Any assignment of your rights hereunder without our consent (which shall not be unreasonably withheld) shall be void. These Terms shall be binding on your successors and assigns. Our failure to require your performance of any of These Terms shall not serve as a waiver of or diminish our rights to require strict performance of such provision or These Terms.