

H2FLOW CONTROLS, INC. STANDARD TERMS AND CONDITIONS

The following terms and conditions shall apply to all proposals, quotations and orders for the sale by H2FLOW CONTROLS, INC. (“H2F”) of H2F and EMOTRON (“EMOTRON”) Equipment, parts or accessories manufactured by H2F or EMOTRON or purchased by it from others (other than third party software) (such Equipment, parts or accessories being referred to herein as the “Equipment”, or for the rendering of services (“Services”) by H2F. For purposes of these terms and conditions, the term “Proposal” means (i) any H2F proposal, bid or similar document setting forth the prices of any Equipment or Services, (ii) any H2F sales order confirmation or acknowledgement provided by H2F and relating to the Equipment or Services, and (iii) these terms and conditions.

TITLE; RISK OF LOSS. Unless otherwise specified, H2F shall retain title to all Equipment sold hereunder until the purchase price thereof is fully paid to H2F. Notwithstanding the foregoing, all risk of loss or damage shall pass to BUYER, and delivery shall be deemed to be complete, upon delivery of the Equipment to the carrier, its agent or designee, or upon moving the Equipment into storage, whichever shall occur first, at the point of shipment.

SHIPMENT. The shipping date is estimated upon the basis of immediate receipt by H2F of BUYER’s purchase order indicating BUYER’s acceptance of the Proposal and all information required to be furnished by BUYER. H2F shall, in good faith, endeavor to ship by the estimated shipping date but reserves the right to vary such date free of any liability to BUYER. Unless otherwise mutually agreed upon in writing, all Equipment shall be shipped F.O.B. H2F’s plant, Sylvania, Ohio.

If the scheduled delivery of Equipment is delayed by BUYER or by reason of any contingency referred to in the Delays terms hereof, H2F may deliver such Equipment by moving it to storage and invoice BUYER for the purchase price, and BUYER shall be liable for any storage and insurance charges. Should the carrier designated by BUYER fail to pick up the Equipment within two (2) days after being given notice, H2F reserves the right to select and make shipment by an alternate carrier and charge BUYER.

PRICES; TAXES; PAYMENT. Prices do not include sales, use, excise or similar taxes (“Taxes”), which are separately itemized and shall be paid by BUYER. Except as otherwise agreed by H2F in writing and attached hereto, the BUYER shall pay the balance of the purchase price in full within thirty (30) days after the H2F invoice date.

PRODUCTION ESTIMATES. Production data, where given, is based upon the Equipment being properly maintained and operated under design operating conditions, using design raw materials, with competent, trained operators and maintenance personnel and upon H2F’s analysis and understanding of the production conditions, suitability of designated locating points and facilities provided. Production estimates and approximations and are not guaranteed unless otherwise expressly provided in the Proposal.

OPTIONAL INSTALLATION AND START-UP SERVICES. BUYER shall unpack and position and the Equipment upon delivery and shall provide for electrical current supply at the starting box in accordance with U.S. standards (voltage, amperage and cycles) unless otherwise agreed by H2F in writing. When requested in BUYER’s purchase order, and at BUYER’s expense, H2F shall provide one or more H2F service personnel to supervise installation, and if so requested to supervise machine start-up and to

instruct BUYER's operators in the proper use and maintenance of the Equipment. H2F shall arrange for such personnel to arrive within a reasonable time after delivery of the Equipment. BUYER shall pay H2F's service fee, in addition to the purchase price of the Equipment, according to H2F Standard Service Rate Sheet in effect at the time the Services are performed, as furnished by H2F to BUYER.

SOFTWARE. If any third-party software is provided by H2F to BUYER hereunder, such software is provided subject to the terms and conditions of the third-party software provider's then-current end-user license agreement. If such software is customized by H2F or EMOTRON for BUYER, H2F hereby grants to BUYER a royalty-free, nonexclusive, nontransferable, limited license of such customization solely for its use in connection with the operation, maintenance and repair of the Equipment and the training of BUYER's employees therefor. Such customized software may not be reproduced or distributed in any manner.

ACCEPTABLE PROCEDURES. Within a period (the "Testing Period") of thirty (30) days after (a) the arrival of H2F service personnel or (b) if H2F's service personnel are not to be provided, after BUYER's receipt of the Equipment at BUYER's plant, BUYER shall install and start-up the Equipment, with the assistance of H2F's service personnel if requested by BUYER in accordance with these terms and conditions. If, due to extraordinary and unforeseeable circumstances, BUYER is unable to prepare the Equipment for installation by H2F service personnel, H2F may, if requested by BUYER, establish a mutually acceptable later certain date as the date of installation and start-up of the Equipment. Unless BUYER provides H2F with written notice, within the Testing Period, of (i) any incomplete item with respect to the purchase order for the Equipment or (ii) any defect in the Equipment, then BUYER's acceptance of the Equipment shall be deemed to have occurred on the earlier of BUYER's written acceptance to H2F or on the last day of the Testing Period. In the case of proper and timely written notice to H2F from BUYER, BUYER's acceptance shall be deemed to have occurred on the date H2F reasonably corrects such incomplete order or defect.

PHOTOGRAPHS. Photographs and other illustrations, brochures, manuals or advertising materials represent in general the Equipment offered, but are not binding in detail since improvements and variations to the Equipment are constantly being made in product design.

WEIGHTS AND SPECIFICATIONS. All weights, measurements and powers given by H2F are estimates stated as correctly as practicable, and, except as agreed between BUYER and H2F, any minor deviations shall not invalidate the sale of Equipment or entitle BUYER to any adjustment in the price of the Equipment.

CANCELLATION BY H2FLOW CONTROLS, INC. H2F may, by written notice to BUYER and without any liability, cancel BUYER's order if BUYER (i) fails to perform any of the terms and conditions hereof and does not cure such failure within a period of ten (10) days after receipt of written notice from H2F specifying such failure; (ii) has not established an acceptable payment security in accordance with these Terms and Conditions; (iii) becomes insolvent, makes an assignment in favor of creditors, or becomes subject to any bankruptcy, dissolution or similar proceedings; or (iv) is merged into, or all of a substantial part of its assets are sold to, another company. As a nonexclusive alternative to cancellation, H2F may, by written notice to BUYER and without any liability, suspend any of its obligations hereunder for any reason referenced in subsections (i)-(iv) of this paragraph.

CANCELLATION BY BUYER. BUYER's purchase order, when accepted by H2F, shall not, for any reason, be cancelled by BUYER without H2F's prior written consent. If H2F consents to cancellation, BUYER shall pay H2F a cancellation charge in an amount equal to 30% of the total purchase price if BUYER's purchase order is cancelled after receipt by H2F.

H2FLOW CONTROLS, INC. STANDARD WARRANTY. H2F warrants that all Equipment shall be free from defects in material or workmanship for the following periods:

- H2FLOW CONTROLS FLOWVIS® FLOW METER; three (3) years
- H2FLOW CONTROLS ECO-FLOW® AQUATIC VARIABLE FREQUENCY DRIVE; three (3) years

All other products manufactured by H2F and EMOTRON shall be warranted for a period of one (1) year.

Equipment produced by any manufacturer other than EMOTRON or H2F shall be warranted for the period determined by that manufacturer.

The warranty periods listed are from the date of Original Start-Up of such Equipment. For purposes hereof, the term "Original Start-Up" means the date the Equipment is placed under power or two (2) months from the date of delivery, whichever is earlier. Provided that H2F receives written notice of breach of this warranty within such period, H2F shall repair or, at H2F option, replace the Equipment or component thereof determined by H2FLOW CONTROLS INC. to be defective. Return of any repaired or replaced Equipment to BUYER shall be at H2F's expense. This warranty is conditioned upon buyer furnishing satisfactory evidence that the Equipment alleged to be defective has been properly maintained and correctly operated under normal conditions with competent supervision and within the operating limits for which such Equipment is offered and sold. This warranty shall not apply to any Equipment that has been subjected to misuse, abuse, neglect or improper storage, handling or maintenance, or modifications or repairs by any party other than EMOTRON or H2F

If any one component of an EMOTRON or H2F product proves incurably defective, such component shall be replaced at H2F expense. For purposes of the warranty and acceptable provisions hereof, each H2F product in an H2F system shall be deemed to be purchased from H2F as an individual unit. No warranty provisions contained herein or otherwise applicable to any item of Equipment shall apply to an H2F system as a single entity.

H2F warrants that all Services provided by it hereunder shall be performed in accordance with standards of skill, care and diligence generally adhered to by manufacturers providing services of a similar nature under similar circumstances. **EXCEPT AS EXPRESSLY STATED IN THIS WARRANTY SECTION, H2F MAKES NO WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR OTHERWISE, WITH RESPECT TO ANY EQUIPMENT OR LABOR FURNISHED DURING THE SALE, DELIVERY OR SERVICING OF ANY EQUIPMENT.** Any Equipment or other items purchased by H2F for resale to BUYER shall carry the standard guarantee of the manufacturer thereof, if any, and H2F shall not be responsible for and defective part thereof.

LIMITATION OF LIABILITY. In no event shall H2F, its agents, distributors or representatives be liable for special, indirect, incidental or consequential damages, whether in contract, tort, negligence, strict liability or otherwise, including without limitation damages for injury to person or property, lost profits or revenue, lost sales or loss of use of any equipment. BUYER's sole and exclusive remedy against H2F and its distributors or sales representatives shall be the repair or replacement of defective parts or the

reperformance of the services as provided herein. H2F liability on any claim, whether in contract, tort, negligence, strict liability or otherwise, for any loss or damage arising out of or in connection with BUYER's order, shall in no case exceed the purchase price of the Equipment or the Services actually paid to H2F by BUYER, plus the incremental cost to BUYER, if any, of obtaining from another supplier Equipment or Services comparable in content and function to those provided for herein.

SAFETY. BUYER hereby covenants that the Equipment sold hereunder shall be operated by BUYER's employees and agents utilizing all guards, warning signs and other safety devices that are provided with or are part of the Equipment. In addition to any other rights H2F may have against BUYER for breach of this covenant, no warranty on the Equipment whatever, express or implied, shall be applicable in the event such covenant is breached. BUYER further agrees: (1) that disconnections, disassembly or non-use of any part of the Equipment constitutes a substantial change in the Equipment; and (2) that it shall indemnify and hold harmless H2F from all claims for damages and injuries made by any and all parties through use of such substantially changed Equipment.

OSHA. While the Equipment has been designed to conform to H2F's interpretation of applicable OSHA standards, such compliance is neither warranted nor guaranteed. In the event that BUYER interprets applicable OSHA standards differently (or requires additional features for any other reason), or in the event that the Equipment is found not to comply with applicable OSHA standards, H2F will undertake, at BUYER's request and expense, to alter the Equipment so that it complies with BUYER's requirements and/or applicable OSHA standards.

PROPRIETARY INFORMATION. The Proposal and all notes, brochures, technical information concerning processes, devices, machines, systems, marketing strategies and techniques, catalogs, listings, sales, forecasts, agreements, know-how, designs, drawings, specifications, data sheets, memoranda, correspondence or special purpose manufacturing prototypes or samples ("Proprietary Information") supplied to BUYER by H2F are, and shall remain, the property of H2F and may be covered by one or more H2F patents, patent applications or copyrights. BUYER shall not at any time disclose or make available to any person, firm or corporation, other than H2F, Proprietary Information or use such information for any purpose other than the purposes for which supplied hereunder, and shall provide effective security measures to prevent unauthorized persons from obtaining Proprietary Information. All technical, industrial and commercial information and material that BUYER discloses heretofore and hereafter to H2F is on a nonconfidential basis unless previously agreed to in writing by H2F. H2F grants no rights to BUYER under any H2F patent, design patent, copyright, trademark or know-how, except as may be necessary to fulfill H2F's obligations under BUYER's order.

DELAYS. Except with respect to the payment of monies due hereunder, neither party hereto shall be responsible for failure to perform hereunder or for any loss or damage due to causes beyond its reasonable control, including but not limited to acts of God, fires, civil disobedience, war, riots, strikes, work stoppages, floods, unavailability of suitable transport, changes in governmental requirements, unforeseeable local conditions, inadequate site preparation, uncompleted civil engineering work, or shortages of labor or materials.

ACCEPTANCE OF PROPOSAL. Acceptance by H2F of BUYER's order, or BUYER's acceptance of H2F's Proposal, is expressly limited to and conditioned upon BUYER's acceptance of, and assent to, these terms and conditions and those referred to herein. Any additional, inconsistent or different terms and conditions contained in BUYER's purchase order or other documents submitted by BUYER to H2F at any

time, whether before or after the date hereof, are hereby expressly rejected by H2F. BUYER acknowledges that, notwithstanding anything to the contrary contained in its purchase order or other documents, receipt and acceptance by BUYER of the Equipment shall constitute acceptance by BUYER of these terms and conditions. All orders are subject to acceptance in writing by H2F at its office at 3545 Silica Road, Unit F, Sylvania, Ohio, 43560.

MISCELLANEOUS. (a) The entire agreement between H2F and BUYER with respect to BUYER's order is embodied solely within this Proposal, which supersedes all prior agreements, understandings, representations or warranties, whether oral or written, between H2F and BUYER relating to such order. No statement, recommendation or assistance made or offered by H2F through its representatives in connection with suitability, capacity, performance or compliance with customer's specification of the Equipment sold shall be or constitute a waiver by H2F of any provision hereof. No statements subsequent to the acceptance of this Proposal shall be binding upon H2F, nor shall this Proposal be amended or modified, unless consented to in writing by a duly authorized representative of H2F in a document referencing this Proposal. H2F's rights and remedies hereunder are cumulative and in addition to any other rights and remedies available under applicable law.