



STANDARD TERMS AND CONDITIONS OF SALES

PURPOSE: *To state the terms and conditions of sale by American-Marsh Pump Company hereinafter referred to as the Company.*

1. ACCEPTANCE OF ORDERS :

All sales and transactions are subject to Company's Standard Terms and Conditions, and they shall prevail in the event of any conflict or variance with those of the Purchaser's, unless otherwise agreed to in writing.

All previous agreements, either written or oral, which are subject matter hereof, are hereby cancelled.

Stenographic or clerical errors are subject to correction.

2. PRICES :

All prices are subject to change without notice and are subject to any increase which may be in effect on the date of shipment of the goods. Prices are F.O.B. Shipping Point, unless otherwise specified. When price includes transportation and other charges pertaining to the shipment of the goods, any increase in transportation rates and other charges will be for the account of the purchaser. There will be an extra charge for any test other than that which may be normally run by the Company or for any test performed to suit the convenience of the purchaser.

3. PACKING :

Equipment will be packed, boxed or crated in accordance with the Company's standard commercial practice. For export packing, add 8.5% of the NET price, this being a NET charge. No allowance will be made for omission of standard packaging or crating.

4. ROUTING :

If routing of shipment is specified on customer's order, it will be followed whenever practicable. Otherwise, routing is subject to our choice.

5. TAXES :

The Company's prices do not include sales, use, excise or similar taxes. The amount of any present or future sales, use, excise or other similar tax applicable to the sale or use of the equipment shall be paid by the purchaser, or in lieu thereof the purchaser shall provide the Company with a tax exemption certificate acceptable to the taxing authorities.

6. TERMS :

Except as otherwise indicated, payment is due in the United States of America currency 30 days after date of shipment on approved credit. Letters of credit are required to be of the irrevocable type and confirmed by an acceptable U.S. bank. A 1-1/2% monthly charge or the maximum legal rates, whichever is less, will be assessed on all past dues items.

The Company may change, alter, or modify the time of payment for merchandise or any agreement for extension of credit, or may require partial or full payment prior to manufacturing, assembling or shipping any merchandise, notwithstanding any contrary conditions specified in any orders, contract or sale. Unless otherwise specifically provided,



we will furnish invoices and shipping documents as specified on the customer's order. Any of the terms and provisions on the customer's order inconsistent in any way with our policy shall not be considered applicable to the sale. *"Except where prohibited by law and without regard for terms apportioning risk, determining time and place of delivery and allocating cost of freight, the Company will retain title to the goods until delivery of the goods or full payment therefor, whichever is later."*

7. SHIPMENT :

Shipping dates are based on prompt receipt of full and complete information at the Company, credit approval and transportation availability. Promised shipping dates are approximate, and are from point of manufacture. Such dates are estimated from (a) the date of receipt or order with complete manufacturing information to Company's factory, and (b) the date of entry of such order by the Company. Shipping dates are subject to revision at the time of the entry of order and the shipping schedule then given is approximate and subject to any action Company must take in connection with priorities or other orders or regulations issued by the United States Government, or any department thereof.

8. DESIGN :

The Company reserves the right to discontinue the manufacturing of any model or to make changes in design for product improvement, without incurring any obligation to furnish or install the same on product previously furnished.

9. ORDER CHANGES :

No changes in orders will be accepted except by special written arrangement with the executive office.

10. CANCELLATION :

Orders once placed with and accepted by the Company can be cancelled only with Company's consent and upon terms that will indemnify Company against loss. Cancelled orders are subject to 15% cancellation charge or charges equal to all cost incurred by the Company up to the date of cancellation, including a reasonable allowance for overhead, computed on the basis of accepted accounting methods.

I. Company may forthwith cancel the order or contract without recourse:

- (a). If conditions are such that shipment from Company's factory may be delayed beyond the date estimated at the time of entry of order or contract:
- (b). If the Purchaser is in default with the Company on this or any other order or contract:
- (c). If the Purchaser is or becomes insolvent, or if at any time Company is not fully satisfied with the credit of Purchaser, it may at any time after the order has been entered, or during the manufacturing period, or at the time the goods are ready for shipment, require payment in advance of shipment regardless of original terms, or if after shipment has been made and before actual delivery and acceptance at destination (regardless of F.O.B. point), it may recall the shipment and cancel this and all other orders and contract which may be outstanding, and shall be entitled to receive reimbursement for its reasonable and proper cancellation charges.
- (d). If the order or contract is for the direct account of one of its sales representative, distributor or dealers and Company terminates or alters such relationship.



11. RETURN OF GOODS :

Written permission from the Company must be obtained before returning any merchandise. A return authorization number must accompany all returns. All transportation charges must be borne by the customer; the cost of reshipment to the customer will be borne by the Company. No items with a net value less than \$25 will be authorized to return. All items accepted for return must have been invoiced within the past year, must be currently catalogued, be in their original undamaged shipping carton and be able to be sold with the original complete factory warranty. Only new, cataloged equipment of current design will be authorized for return. Special equipment built to a customer's specifications cannot be returned. All new material authorized for return is subject to a minimum handling charge of 15% of the invoice value of the return. All returned goods must be packaged and marked properly. Impellers of less than maximum diameter, obsolete and special items manufactured to order are not returnable for credit.

12. CLAIMS :

No claims for allowance will be entertained unless presented immediately on receipt of goods; nor will Company be help responsible for breakage or shortage after goods are delivered to and accepted by the common carrier.

13. DELAYED DELIVERIES :

The Company shall not be liable for any delay in shipping or delivery of merchandise for any cause whatsoever. The Company will not be liable for loss, damage, detention, or delay in manufacture or delivery or necessity to substitute materials, resulting from causes beyond its reasonable control, including but not limited to casting failures, war, fire, strikes, lockouts, or to other labor difficulties, civil or military authority, insurrection or riot, embargoes, cargo or ship shortages, acts of government, wrecks or delays in transportation, including any delays caused by inability to obtain necessary labor, materials or manufacturing facilities due to such causes or form action taken by the Company in connection with priorities or preference orders or other production permits issued by the United States Government or any department thereof, or from delay in obtaining or failure to obtain manufacturing, financing, export or other licenses required by the United States Government or any department thereof, or in any event for consequential damages.

Acceptance of material by common carrier constitutes a waiver of any claim against the Company for delay of damage in transit or for lost goods.

14. CONSIGNMENT:

The Company shall not furnish any consigned stock whatsoever. All shipments will be made in accordance with our regular terms of payment. Notations on the order such as "*to be paid for when sold*", "*on trial*", "*when satisfactory*" shall not bind the Company.

15. CATALOGS :

All price books and other material shall remain the property of the Company and are subject to return to its General Office on demand.

16. SALES POLICY:

Nothing herein shall be construed as abridging the right to the Company to sell directly or indirectly to:



- Federal and State Government Aid.
- Purchasers who buy company products for sale as integral or assembled parts of their products.
- Firms operating on a national scale.
- Any other class of purchaser to whom the Company may from time to time elect to sell.

No allocation of, or reference to any territory in which any distributor, jobber or dealer operates shall be deemed exclusive unless otherwise there is a commercial agency agreement.

17. CONDITIONS :

All sales made by the Company are subject to these conditions unless otherwise agreed in writing, with a duly authorized officer of the Company. In all cases of conflict between these conditions and the requirements of the purchase order, these conditions shall prevail.

18. JURISDICTION and VENUE:

All sales and offers or acceptance thereof made by or to the Company shall be governed by and construed in accordance with the laws of the State of Tennessee in the United States of America, excluding its conflict of laws, provisions and the International Convention on the Sales of Goods of 1980. Any legal action resulting from or otherwise related to such sales, offers or acceptance thereof shall be within the exclusive jurisdiction of the courts of the State of Tennessee, except the Company shall be entitled, at its exclusive discretion, to commence any legal action with respect to sales, offers or acceptance thereof before any court possessing competent jurisdiction over the Company's customer.