

TERMS & CONDITIONS



CONTROLLING PROVISIONS

These terms and conditions shall control with respect to any purchase order or sale of FluoroSeal Inc.'s products. No waiver, alteration or modification of these terms and conditions whether on Buyer's purchase order or otherwise, shall be valid unless the waiver, alteration or modification is specifically accepted in writing and signed by an authorized representative of FluoroSeal Inc.

DELIVERY FluoroSeal Inc. will make every effort to complete delivery of products as indicated on its acceptance of an order, but FluoroSeal Inc. assumes no responsibility or liability, and will accept no back charge, for loss or damage due to delay or inability to deliver caused by acts of God, war, labor difficulties, accident, delays of carriers, by contractors or suppliers, inability to obtain materials, shortages of fuel and energy, or any other causes of any kind whatever beyond the control of FluoroSeal Inc. FluoroSeal Inc. may terminate any contract of sale of its products without liability of any nature, by written notice to Buyer, in the event that the delay in delivery or performance resulting from any of the aforesaid causes shall continue for a period of sixty (60) days. Under no circumstances shall FluoroSeal Inc. be liable for any special or consequential damages or for loss, damage, or expense (whether or not based on negligence) directly or indirectly arising from delays or failure to give notice of delay.

WARRANTY FluoroSeal Inc. warrants for one year from the date of shipment of its manufactured products to the extent that FluoroSeal Inc. will replace those having defects in material or workmanship when used for the purpose and in the manner which FluoroSeal Inc. recommends. If FluoroSeal Inc.'s examination shall disclose to its satisfaction that the products are defective, and an adjustment is required, the amount of such adjustment shall not exceed the net sale price of the defective product(s) only and no allowance will be made for labor or expense for repairing or replacing defective products or workmanship or damage resulting from the same. FluoroSeal Inc. warrants the products which it sells of other manufacturers to the extent of the warranties of their respective makers. Where engineering design or fabrication work is supplied, Buyer's acceptance of FluoroSeal Inc.'s design or of delivery of work shall relieve FluoroSeal Inc. of all further obligation, other than expressed in FluoroSeal Inc.'s product warranty.

THIS IS FLUOROSEAL INC.'S SOLE WARRANTY. FLUOROSEAL INC. MAKES NO OTHER WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEED THE AFORE STATED OBLIGATION ARE HEREBY DISCLAIMED BY FLUOROSEAL INC. AND EXCLUDED FROM THIS WARRANTY.

FluoroSeal Inc. neither assumes, nor authorizes any person to assume for it, any other obligation in connection with the sale of its engineering designs or products. This warranty shall not apply to any products or parts of products which (a) have been repaired or altered outside of FluoroSeal Inc.'s factory, in any manner; (b) have been subjected to misuse, negligence or accidents; (c) have been used in a manner contrary to FluoroSeal Inc.'s instructions or recommendations. FluoroSeal Inc. shall not be responsible for design errors due to inaccurate or incomplete information supplied by Buyer or its representatives.

LIABILITY FluoroSeal Inc. will not be liable for any loss, damage, cost of repairs, incidental or consequential damages of any kind, whether based upon warranty (except for the

obligation accepted by FluoroSeal Inc. under "Warranty" above), contract or negligence, arising in connection with the design, manufacture, sale, use or repair of the products or of the engineering designs supplied to Buyer.

RETURNS FluoroSeal Inc. cannot accept return of any product(s) unless its written permission has been first obtained, in which case same will be credited subject to the following: (a) all material returned must, on its arrival at FluoroSeal Inc.'s plant, be found to be in first-class condition; if not, cost of putting in saleable condition will be deducted from credit memoranda; (b) a handling charge deduction of twenty percent (20%) will be made from all credit memoranda issued for material returned; (c) transportation charges, if not prepaid, will be deducted from credit memoranda.

SHIPMENTS All products sent out will be carefully examined, counted and packed. The cost of any special packing or special handling caused by Buyer's requirements or requests shall be added to the amount of the order. No claim for shortages will be allowed unless made in writing within ten (10) days of receipt of a shipment. Claims for products damaged or lost in transit should be made to the carrier, as FluoroSeal Inc.'s responsibility ceases, and title passes, on delivery to the carrier.

SPECIAL PRODUCTS Orders covering special or non-standard products are not subject to cancellation except on such terms as FluoroSeal Inc. may specify on application.

PRICES AND DESIGNS Prices and designs are subject to change without notice. All prices are F.O.B. Point of Shipment, unless otherwise stated.

TAXES The amount of any sales, excise or other taxes, if any, applicable to the products, shall be added to the purchase price and shall be paid by Buyer unless Buyer provides FluoroSeal Inc. with an exemption certificate acceptable to the taxing authorities.

NUCLEAR PLANTS Where the products, engineering design or fabrication is for nuclear plant applications, Buyer agrees (a) to take all necessary steps to add FluoroSeal Inc. as an insured under the American Nuclear Insurers (ANI) pool and under the Mutual Atomic Energy Reinsurance Pool (MAERP) for property damage and liability insurance and if necessary steps could have been taken, but are not taken, Buyer shall hold FluoroSeal Inc. harmless against all such losses which could have been thus covered; (b) Buyer agrees to hold FluoroSeal Inc. harmless with respect to any personal injury or death, property damage or any other loss in a nuclear incident which is caused directly or indirectly by defective design, material, or workmanship, furnished by FluoroSeal Inc. and which is covered by insurance maintained by Buyer (or which could be so covered but with respect to which Buyer has elected to self-insure), and further agrees to waive subrogation by its carriers of such insurance against FluoroSeal Inc.; (c) as to nuclear hazards for which Buyer cannot obtain insurance coverage, the liability of FluoroSeal Inc. for any personal injury or death, property damage or any other loss directly caused by defective design, material, or workmanship furnished by FluoroSeal Inc. shall not exceed the value of the material furnished by FluoroSeal Inc. at the time of the loss occurrence.

MINIMUM INVOICE \$100 plus shipping.

TERMS Cash, net 30 days unless otherwise specified.