

Pentair Equipment Protection Terms of Sale

1. Offer, Governing Provisions, Amendment & Revocation: This document is an offer or counter-offer by Pentair Technical Products doing business through its related entities of Hoffman Enclosures Inc. or Pentair Technical Products, Inc. ("Seller") to sell the goods and/or services to Buyer solely in accordance with these terms and any signed agreement between Seller and Buyer, is not an acceptance of any offer made by Buyer, even if received elsewhere by a salesperson, selling agent or representative of Seller, and is expressly conditioned upon Buyer's assent solely to these terms. Each order from Buyer shall be deemed to be an offer by Buyer to purchase the goods solely pursuant to these terms. Acceptance, either by written acknowledgment or by shipment of goods, of any order placed by Buyer does not constitute acceptance by Seller of any of the terms and conditions of those orders or of any request for quotation, except as to identification and quantity of goods involved. Seller objects to any additional or different terms contained in any order, request for quotation or other communication previously or hereafter provided by Buyer. No additional or different terms or conditions will be of any force or effect. Seller may revoke its offer at any time before it is accepted by Buyer. The terms contained in or incorporated into this document by reference and Seller's quotation or proposal comprise the entire agreement between Seller and Buyer on the subject of the transactions described herein and there are no conditions to that agreement that are not so contained or incorporated, except that any confidentiality agreement that has been executed by and between the parties shall remain in effect according to its terms. No accepted offer may be altered by Buyer except upon terms and conditions accepted by Seller in writing. No changes to this document will be binding unless set forth in writing and manually signed by Seller.

2. Order Acceptance & Governing Law: No order shall be binding upon Seller until accepted and acknowledged in writing by Seller at its principal offices, which acceptance shall be delivered by mail or electronic communication. These terms shall be governed by and construed according to the laws of the jurisdiction where the main office of the entity which is the Seller under these terms is located, without reference to its principles of conflicts of laws. The rights and obligations of the parties shall not be governed by the 1980 United Nations Convention for the International Sale of Goods.

3. Shipment, Delivery & Risk of Loss: Buyer's purchase order must specify preferred carrier or order will be shipped via best way, pre-pay and added to the invoice. Delivery of goods to a carrier at Seller's point of shipment shall constitute delivery. Terms used shall be defined as in Incoterms 2010 Rules. Title to goods purchased hereunder, as well as the risk of loss, shall in U.S. domestic sales pass to Buyer at the Seller's door, and shall in international sales pass to Buyer upon entry into international waters, entry into international airspace, or the crossing of an international border, with the sole exception of banked transactions (L/C, DAA, DAP) in which case the transfer of title occurs upon exchange of documents at the bank window, and the transfer of risk of loss occurs upon entry into international water, international airspace, or the crossing of an international border. Buyer shall make claims for loss or damage to goods while in transit against the carrier. Additional charges will be incurred by Buyer for special processing for export orders and drop shipments outside of the United States of America. Seller will not make any "drop shipments" to Buyer's customers unless Seller, in its sole discretion, deems it necessary. Buyer must take delivery of all goods ordered by it within 365 days after the agreed upon shipment date described in the applicable order which has been accepted by Seller; however, with Seller's written consent, Buyer may defer, up to 60 additional days, an agreed upon shipment date specified in such an order, but in no event is Seller required to honor such a rescheduling request which is received less than 30 days before the originally scheduled shipment date. The shipping date(s) designated by Seller represent a reasonable estimate of the time required to manufacture the goods covered by an order commencing with the date the order is accepted by Seller. Such dates do not represent Seller's promise to ship or deliver the goods on such dates unless otherwise expressly agreed in writing. Goods may be tendered in partial shipments at Seller's discretion. If Seller determines it is necessary to modify the design or specifications for the goods, the shipping date shall be extended by the period of time required to achieve the agreed-upon modifications to the design, specifications, or terms of sale.

4. Delays in Delivery: All delivery dates are approximate. Seller shall not be liable for any losses or damages as a result of any delay or failure to deliver due to fires, floods, accidents, strikes, slowdowns, wars, acts or terrorism, riots, acts of God, acts of Buyer, embargoes, priorities, government orders or restrictions, delays in transportation, equipment failure, delays by any supplier

of materials or parts, inability to obtain necessary labor, or any other causes beyond the control of Seller. If any such delay occurs, the delivery date shall be extended for a period equal to the time lost by reason of such delay. Seller may, in its sole discretion, allocate its inventory of goods among itself, its present and future customers, other channels of distribution and Buyer. If an event of force majeure prevents or delays, for a period exceeding 6 months, Seller's performance under an order accepted by Seller, either party may terminate, without penalty, the orders accepted by Seller and adversely affected by such event by giving written notice thereof to the other party.

5. Insurance, Damage or Loss in Transit & Inspection: Seller shall obtain and maintain appropriate insurance coverage with limits sufficient to cover the liabilities outlined in these terms of sale. Seller will provide a basic certificate of insurance evidencing coverage at request of Buyer; however, in no event will Buyer be added as an additional insured on Seller's policies.

Marine Insurance: The party responsible for paying the main transportation shall provide full cargo insurance coverage – defined as door-to-door, "A" cover, all risk, marine, war, strike and riot – regardless of the shipping terms, with the exception of CFR/CPT Incoterms, in which insurance is the Buyer's responsibility. On E and F terms, plus CFR and CPT, the Buyer shall provide full cargo insurance coverage. On D terms, plus CIF and CIP, the Seller shall provide full cargo insurance coverage.

For destinations and/or cargo on which governmental or insurance restrictions require additional approvals and/or premiums, or a split in coverage other than house-to-house, the responsible party/parties shall take such additional measures to ensure that the shipment is appropriately covered.

Within 15 days after its receipt of delivery of the goods, Buyer shall inspect them, conduct any incoming acceptance tests on them and notify Seller of any shortage, damage or discrepancy in or to a shipment of goods and furnish such written evidence or other documentation as Seller may deem appropriate. Any goods not rejected by Buyer by written notice to Seller or goods used in the normal course of conducting Buyer's business or for generating profit or revenue within such period shall be deemed accepted.

6. Warranty: Seller warrants to Buyer, for a period of one year after the date of shipment from Seller's plant, that all goods sold to Buyer under these terms shall meet their applicable specification as may be set forth in Seller's product literature and/or packaging and labeling materials published as of the date of shipment of the goods. If, after Seller receives written notice, within the period for the foregoing warranty, that any goods allegedly do not meet Seller's applicable specification, and Seller, in its sole discretion, determines that such claim is valid, Seller's entire liability and sole obligation and the exclusive remedy for breach of the foregoing warranty, will be, within a reasonable time after Seller's receipt of such notice, at Seller's option, either repair or replacement of such goods, and Seller will be responsible for the cost of shipping the parts to repair or the unit to replace the defective goods. Refurbished goods may be used to repair or replace the goods and the warranty on such repaired or replaced goods shall be the balance of the warranty remaining on the goods which were repaired or replaced. Buyer waives any claim to any goods which were replaced or the components therein which were replaced. In no event will Seller be required to accept delivery of any allegedly defective goods returned to it without its prior authorization, including the means, carrier and route of shipment for such return. Under no circumstances will credit be allowed for unauthorized rework on any materials.

EXCEPT FOR SELLER'S WARRANTY OF TITLE TO THE GOODS, SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR THE NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY OR OTHERWISE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR OF PERFORMANCE, CUSTOM OR USAGE OF TRADE. Seller's obligations do not cover defects or losses caused by normal wear and tear or deterioration, defects in or damage to any goods resulting from improper installation, accident or any utilization, maintenance, repair or modification of the goods that is not consistent with Seller's instructions or the designed capabilities of the goods or that, in its sole judgment, the performance or reliability thereof is adversely affected thereby, or which is subjected to abuse, mishandling, misuse or neglect or any damage caused by connections, interfacing or use in unforeseen or unintended environments. Seller does not warrant that the operation of the goods will be uninterrupted or error-free, that the functions of the goods will meet Buyer's or its customer's requirements or that the goods will operate in combination with other

products selected by Buyer's customer for its use. Seller assumes no liability for equipment or services furnished by Buyer or its customer nor does this warranty cover any copy of or update to any user manual for the goods.

7. Payment Terms: Buyer's obligation to pay on time is of the essence of these terms. Buyer will pay, in cash, in the currency and to Seller's address required by Seller's quote or invoice, the amounts for the goods stated on Seller's invoices within 30 days after the invoice date without setoff, counterclaim or deduction, unless otherwise expressly agreed in writing by Seller. Thereafter interest shall accrue on any unpaid amounts at the lesser of the monthly rate of 1.5% or the maximum amount allowed by law from the date the invoice becomes due according to its terms. Seller may, at its sole discretion and at any time, require terms of C.O.D or C.W.O. Buyer acknowledges that Seller may use the services of a collection service and an attorney to collect amounts overdue. In this event, Buyer will be liable for all fees incurred by Seller, including collection service fees and attorney fees, costs and expenses arising out of the collection efforts.

8. Minimum Order: The minimum order size for Schroff, Calmark or Birtcher branded goods (combined), excluding repair parts and airfreight, is \$1,000.00. Any order below that amount will be invoiced at \$1,000.00, plus transportation charges. The minimum order size for Hoffman branded goods to qualify for prepaid freight is \$2500. Any order for Hoffman branded goods below that amount will not qualify for prepaid freight.

9. Prices & Quotations: Orders for the goods will be invoiced at the prices in effect at the time of Seller's acceptance of Buyer's order, unless otherwise specified in Seller's written quotation to Buyer. These terms allocate the product failure risks between the parties, which are reflected in the prices for the goods. Quotations are valid for 30 days, unless otherwise specified, and represent no obligation until the order issued by Buyer in response to the quote is acknowledged and accepted by Seller. The prices and Seller's performance under an order are subject to resource availability and costs within Seller's control at the time of manufacture of the goods covered by such order. Seller may adjust prices and shipment dates specified in an order before it accepts the order. Seller may change its published prices and other standard terms of sale at any time, but the change will not affect any order properly accepted by Seller and requested for immediate shipment before the effective date of the change.

10. Specialized Packaging/Equipment: Buyer shall pay or reimburse Seller for the cost of specialized packaging beyond Seller's standard packaging and any charge assessed for the use of specialized equipment (lift gates, soft-tops, etc.) to ship the goods.

11. Catalog Weights & Dimensions: Catalog weights and dimensions are careful estimates, but are not guaranteed.

12. Cancellation: No accepted order shall be modified or cancelled except upon Seller's written agreement, in which case, it shall be subject solely to these terms, whether or not the change order so states. Cancellation of orders for standard goods may be subject to cancellation charges. Cancellation of orders for modified or customized goods, or for standard goods in quantities exceeding that which is customary, will be accepted only with the understanding that Seller will be reimbursed by Buyer for all costs and expenses including commitments and internal expenses incurred as a result of the order and subsequent cancellation. Costs of cancellation may represent 100% of the value of the order which is canceled depending upon the level of customization and the status of work-in-process regarding the order which was canceled.

13. Returned Goods: When expressly authorized by Seller in writing, unused, non-defective goods in saleable condition may be returned, at Seller's expense, to Seller subject to a service handling and restocking charge and additional conditions which may be obtained by contacting Seller.

14. Repairs, Alterations & Modifications: If Seller is requested to repair any goods not covered by its warranty, such repairs shall be made at the expense of the person requesting such repair unless specifically authorized otherwise in writing by Seller. Any alterations or modifications to the goods made by any person other than Seller are not permitted without specific authorization in writing by Seller and will void the warranty and Seller will not accept their return to it.

15. Limitation on Liability: SELLER SHALL NOT BE LIABLE, AND IT HEREBY DISCLAIMS ALL LIABILITY, FOR ANY CONSEQUENTIAL, CONTINGENT, INDIRECT, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, USE, BUSINESS OR

REVENUE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE LEGAL THEORY ASSERTED, INCLUDING WARRANTY, CONTRACT, NEGLIGENCE OR STRICT LIABILITY. SELLER'S LIABILITY FOR DIRECT DAMAGES WILL IN NO EVENT EXCEED THE PRICE PAID BY BUYER FOR THE GOODS GIVING RISE TO THE CLAIM FOR DIRECT DAMAGES. NO PENALTY CLAUSE APPEARING IN ANY DOCUMENT WILL BE EFFECTIVE AGAINST SELLER UNLESS IT HAS BEEN EXPRESSLY ACCEPTED IN WRITING BY AN OFFICER OF SELLER

16. Trademarks: Buyer acknowledges and agrees that any trademark, trade name and logo of Seller ("Seller Marks") and their associated goodwill are Seller's exclusive property. By selling goods to Buyer, Seller does not grant to Buyer any right to use Seller Marks, whether or not in connection with the resale of the goods, unless expressly permitted in writing by Seller. Buyer will not advertise, promote, market, or package any goods in a manner likely to dilute, disparage, or cause confusion with respect to any Seller Mark. Buyer will not use Seller's name in Buyer's promotional or advertising literature, or assert affiliation with Seller or any Seller affiliate, unless expressly agreed in writing by Seller in each instance. Buyer will not, at any time, contest the validity of any Seller Mark, claim any rights in any Seller Mark or do anything which, in Seller's opinion, might disparage, confuse or lessen the significance of any Seller Mark.

17. Buyer Warranties: Regarding claims from persons other than Seller, Buyer, at its sole expense, will indemnify, defend, and hold Seller and its affiliates, successors, assigns, officers, directors, employees and agents harmless from and against any claim, demand, proceeding, or action for damages, liability, loss, cost, or expense, including amounts paid in settlement and attorneys' fees and court costs, arising out of, in connection with or based upon, the warranties and/or remedies offered by Buyer that are different than those contained in Seller's warranty regarding the goods.

18. Taxes & Other Charges: Prices for the goods do not include any manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, VAT, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever, imposed by any governmental authority ("Tax") on or measured by any transaction between Seller and Buyer. The amount of any present, retroactive, or future Tax, except taxes on or measured by Seller's net income, shall be added to the prices quoted or invoiced, and Buyer will pay such Tax, unless Buyer provides Seller tax exemption certificates acceptable to the appropriate taxing authorities.

19. Compliance with Laws: Buyer acknowledges that the goods and the purchase of goods are subject to customs, import and export control laws and regulations of the United States and potentially other countries. Buyer will comply with all applicable laws and regulations now or hereafter in effect, including, but not limited to, anti-corruption laws.

20. Errors: All Seller's clerical errors are subject to correction.

21. Specification, Engineering & Design Changes & Special Tests: Seller may, in its sole discretion and without incurring any liability to Buyer: (a) alter the specifications for or make any design or engineering change to any goods; (b) discontinue the manufacture or sale of any goods; (c) discontinue the development of any new goods, whether or not such goods have been announced publicly; or (d) commence the manufacture and sale of new goods having features which make any goods wholly or partially obsolete. Notwithstanding the above, Seller shall fill all accepted orders from Buyer for any such altered or discontinued goods of which manufacturing and commercial deliveries have commenced. Buyer may request Seller to change the specifications for any goods. If Seller accepts such a request, the parties will negotiate any resulting change in price for the goods and Buyer will pay Seller for any raw materials, work in process, and/or finished goods that become obsolete. Any such change will affect only those orders issued after the effective date of such change. Unless otherwise agreed in writing by Seller, all special tests and inspections of the goods required by Buyer shall be performed at its expense at Seller's facilities.

22. Intellectual Property: Any sketches, models, or samples submitted by Seller shall remain its sole property and Buyer shall treat them as Seller's confidential information unless Seller has indicated otherwise in a signed writing. No use or disclosure of such sketches, models or samples, or any design or production techniques revealed thereby, shall be made without Seller's prior written consent. Unless the parties agree otherwise in writing, Seller, its designated affiliate or licensor, if any, owns all right, title and interest in and to all intellectual property rights and all other information, technical or

otherwise, related to the goods and all modifications thereto sold or licensed under these terms, which were conceived, developed, made or supplied, whether in whole or in part, by Seller or by Buyer's employees, consultants, and/or agents, even if Buyer reimburses Seller for any costs related thereto. Buyer will assign and hereby assigns to Seller or its designated affiliate or licensor all right, title and interest in and to the intellectual property rights, whether or not patentable, related to the goods or any modification thereto. Buyer shall assist Seller in obtaining for Seller any property right in connection with the goods (including, but not limited to, Seller's patents, trademarks and copyrights), shall assist Seller in taking any steps necessary to defend such rights and Seller shall reimburse Buyer for any reasonable expenses incurred in this regard. Buyer will not, at any time contribute to, do or cause to be done any act or thing in any way impairing or intending to impair any part of such right, title and interest described in this paragraph.

23. Certification: Upon written request and payment of Seller's applicable fee, Seller may certify that the goods comply with a specification that has not been developed by or for Seller however, Seller will not consider any such request unless it is included in the order for the goods to which such request relates.

24. Spare Parts: Buyer may, by submitting to Seller an order therefor, purchase spare parts for the goods at Seller's then current prices. Such prices may be modified from time to time in Seller's sole discretion.

25. Credit: Seller, at its sole discretion, may change or limit the amount or duration of credit to be allowed Buyer. Seller may cancel any order accepted by it or delay the shipment of the order, if Buyer fails to meet payment schedule or other credit or financial requirements established by Seller.

26. Security Interest: As security for the payment and performance of Buyer under these terms, Buyer grants Seller a security interest in all goods purchased under these terms, and in the proceeds thereof, including all insurance proceeds, until Seller is paid in full for such goods. Buyer hereby authorizes Seller to sign and file financing statements and other instruments required to protect and perfect Seller's security interest as described in this paragraph.

27. Notices: All notices to Seller, to be effective against Seller, must be in writing and sent by certified mail, with return receipt requested or by a nationally recognized overnight delivery service to Seller's headquarters. The effective date of such a notice is the date of receipt. Seller may designate in writing other individuals to receive notice and may change the address for its receipt of notices.

29. Assignment: Buyer will not assign, transfer or delegate any order accepted by Seller for goods or any of its rights, duties, obligations, or related interests without Seller's prior written approval. Orders accepted by Seller for goods are not transferable assets of Buyer. Seller may terminate or cancel, without penalty, any order accepted by Seller for goods on: (i) the sale of all or substantially all of Buyer's stock, (ii) the sale or transfer of the entire business or substantially all the assets of Buyer, or (iii) any significant change in the management or control of Buyer. Any assignment, transfer, or delegation of orders for goods accepted by Seller or any interest therein, without Seller's prior written consent, is voidable at its option and cause for termination or cancellation of such orders. Nothing in these terms will be construed to grant any person or entity, not a party to any order accepted by Seller for goods, any rights or powers whatsoever. No person or entity will be a third party beneficiary of any order accepted by Seller for goods. Notwithstanding the foregoing, Seller may assign or pledge the payments due (and related support documentation) from Buyer under any order accepted by Seller with notice thereof to Buyer but without being obligated to obtain Buyer's consent thereto. Any assignment of payments due by Seller shall not increase any obligations on behalf of Buyer as a result of such assignment.

30. No Waiver: Any failure or delay by either party in exercising any right or remedy in one or more instances will not prohibit the party from exercising it at a later time or from exercising any other right or remedy.

31. Severability: If a court or tribunal of competent jurisdiction holds any provision of these terms to be invalid, illegal, or unenforceable, the provision will be deemed severable and the invalidity, illegality, or unenforceability will not affect any other provision of these terms which must be enforced in accordance with the intent of these terms, however, a party adversely affected by such holding may terminate, effective immediately, without penalty, upon notice thereof to the other party, any order for goods which has been accepted by Seller and which is adversely affected by such holding.

32. Force Majeure: Neither party is liable to the other for damages caused by delays in delivery or performance due to acts of God or other causes beyond its control, provided that the party prevented from performing gives the other party written notice thereof promptly after the commencement thereof, however, in no event may a party rely upon this paragraph to allow it to avoid honoring its payment obligations under these terms.

33. Independent Contractors: The parties agree that the relationship created by these terms is that of between independent contractors.