

ANDRONACO INDUSTRIES TERMS AND CONDITIONS OF SALE

1. GENERAL. These Terms and Conditions of Sale (“Terms”) govern the sale of goods (“Goods”) by Andronaco Industries, and/or any of its subsidiaries or affiliates, (“Seller”) to the buyer of such Goods (“Buyer”). Seller’s acceptance of Buyer’s order or proposal is expressly conditioned on Buyer’s assent to these Terms. Acceptance of the Goods or Seller’s offer to provide the Goods is expressly limited to the terms and conditions contained herein, and any additional or different terms of Buyer are hereby rejected. No conditions, other than those stated herein, and no agreement or understanding, oral or written, in any way purporting to modify or negate these terms and conditions, whether contained in Buyer’s order form, offer, or acknowledgment, or in any other of Buyer’s forms or elsewhere, shall be binding on Seller, unless expressly agreed to in writing and executed by an officer of Seller. No agent, employee, or representative of Seller is authorized to alter any of these conditions nor to agree to any conditions or other provisions whatsoever outside those stated herein. References herein to “the Contract” relate to any distribution agreement, sales contracts, purchase orders, and any other communication relating to the sale and delivery of the Goods, which are all subject to these Terms. Seller reserves the right to change these Terms at any time. Any section of these Terms with obligations that extend beyond the term of a Contract will survive termination of such Contract. **UNLESS OTHERWISE EXPRESSLY AGREED BY SELLER, GOODS SUPPLIED UNDER THE CONTRACT ARE FOR BUYER’S CONSUMPTION ONLY AND NOT FOR RESALE.**

2. QUANTITY, ORDERS AND SHIPMENTS. All orders placed by Buyer will be placed within Seller’s standard lead times. Orders placed outside of Seller’s standard lead times will be subject to Seller’s consent and to Seller’s standard upcharges. Shipments of Goods will be made only at the location specified by Seller, and Seller will select the method of shipment, the carrier and the manufacturing location from which Goods are supplied. The quantity of all shipments will be determined in accordance with Seller’s usual packaging practices, with Seller’s quantity determination governing. Any delivery date indicated by Seller is an approximate estimate. Seller may terminate any order for Goods upon thirty (30) day notice to Buyer. Seller retains the right and title to the Goods until Seller is paid in full for the Goods. Buyer shall obtain the right and title to the Goods upon payment to Seller of the purchase price and any taxes, excise or other charges. The risk of loss, including but not limited to the risk of loss, theft, damage or destruction of the Goods, transfers to Buyer at Seller’s shipping location.

3. PRICE AND PAYMENT TERMS. The price for each Good is as specified by Seller and such price is subject to change at any time upon notice to Buyer. Terms of payment are net thirty (30) days following invoice date. Buyer shall pay the costs of delivery of the Goods. Buyer shall pay all sales, use, excise or similar taxes, or other charges, which Seller is required to pay, or to collect and remit, to any Government (national, state or local) and which are imposed on or measured by the sale. If, in Seller’s judgment, Buyer’s credit becomes impaired at any time, or Buyer fails to pay any indebtedness to Seller, Seller may, in addition to any other remedies, suspend shipments, change terms of payment or terminate the Contract by notice to Buyer. In the event of non-payment, Seller may also file and foreclose any and all applicable liens in an effort to secure payment from Buyer. Seller will further have the right to charge interest at the then-maximum interest rate allowable by law, or off-set any amounts due from Seller to Buyer on any amount due hereunder. Buyer shall have no right of set-off or withholding, and no deduction of any amounts due from Buyer to Seller shall be made without Seller’s prior, express written approval. Buyer’s obligation to perform will not be limited by any previous waiver by Seller. In the event Buyer breaches any term or condition of the Contract, Buyer shall reimburse Seller for all direct and indirect damages, costs and expenses related to Seller’s pursuit of payment for any claim in any way arising from such breach, including but not limited to reasonable attorneys’ fees. For all Goods, Seller reserves the right to require upfront deposits or payments for large projects. Any Conley Composites or Endurance Composites Goods which are custom (i.e., engineering drawings are required) require a 25% deposit to be invoiced upon issuance of first set of drawings. If the project value exceeds \$100,000, an additional 15% deposit will be invoiced upon receipt of resin and glass raw materials by Seller. Such deposits are non-refundable. The balance will be invoiced as partial or complete shipments are made.

4. ACCEPTANCE AND INSPECTION. Buyer shall inspect the Goods within eight (8) days of the delivery date (“Inspection Period”). Claims by Buyer must be made in writing, within the Inspection Period, and Seller shall be given an opportunity to investigate. Claims shall be limited to the purchase price of the affected Goods, or at Seller’s sole option, to the replacement thereof. All Buyer claims will be deemed waived, and Buyer shall be deemed to have accepted such Goods, if Buyer fails (a) to give written notice thereof to Seller within the Inspection Period; (b) to set aside the Goods for examination by Seller; (c) to cause carrier to note exception covering alleged shortage or damages to Goods at the time delivery is accepted from carrier; or (d) to make or give such demand, claim or notice to carrier with respect

to such shortage or damage as the Bill of Lading may require. Buyer must obtain written authorization from Seller prior to return of any Goods.

5. CANCELLATION. Purchase Orders for Special Items are not subject to cancellation or return. “Special Items” are defined as (i) any goods which are machined or altered in any way from their original form, (ii) goods which are manufactured or purchased specifically for Buyer, or (iii) any other goods which are not a Stocking Item. “Stocking Item” is defined as a good which is routinely held in inventory or routinely manufactured by Seller. Purchase Orders for Stocking Items may be cancelled within 30 days of the purchase order provided that the Stocking Items have not been packaged or shipped.

6. LIMITED WARRANTY. For sales to an authorized distributor: Seller warrants that for a period of (i) the shorter of nine (9) months from the date of delivery to the user (OEM or end user) or fifteen (15) months from the initial date of delivery to Buyer; or (ii) with respect to Polyvalve products only, twelve (12) months from shipment, Goods will be free from any defects in workmanship and materials. For direct sales to an OEM or End-User: Seller warrants to that for a period of twelve (12) months from shipment, Goods will be free from any defects in workmanship and materials. Notwithstanding the foregoing, where Goods are sold after Seller has identified them as developmental, sample, pilot, test lot, scrap, or off-specification, they are sold to the Buyer “AS IS” at Buyer’s own risk, with no warranty whatsoever. No statement, conduct, or description by Seller, any of its subsidiaries or affiliates, their respective representatives, distributors or agents, in addition to or beyond this Limited Warranty, shall constitute a warranty.

THIS LIMITED WARRANTY WILL ONLY APPLY IF ALL OF THE FOLLOWING CONDITIONS ARE MET: 6.1 The Goods must have been used only in applications and under conditions (handling, installation, testing, use, water temperature, maintenance, repairs, etc.) that are strictly in compliance with these Terms and Seller’s technical manuals and installation instructions, if any, currently available from Seller at the time of installation. 6.2 The alleged defect must not be due to faulty installation, misalignment of products, vibration, ordinary wear and tear, corrosion, erosion, U.V. degradation, incompatible lubricants, pastes and thread sealants, unusual pressure surges or pulsation, water hammer, temperature shocking, or fouling. 6.3 The Goods must have been installed in good and workmanlike manner consistent with Seller’s technical manuals and installation instructions currently available from Seller at the time of installation, and with best industry standards and practices, and in conformance with all applicable laws and regulations. 6.4 The Goods must have not been altered, damaged or modified after leaving Seller’s premises, and must have been used in no more than one installation, show no evidence of disassembly or tampering, and have not been subjected to abnormal operating conditions, accident, abuse, misuse, unauthorized alteration, or repair. 6.5 The Goods must not have been subject to acts of nature such as earthquakes, fire, flood, or lightning, or any other Force Majeure Event. 6.6 The Goods must not have been subject to freezing inside any of its components. 6.7 The Buyer must notify the Seller in writing within ten (10) days of when the alleged defect was discovered, or should have been discovered in the exercise of ordinary care, but in no event later than the expiration of the limited warranty period, and the alleged defective Good must be promptly returned to the Seller. Buyer must obtain written authorization from Seller prior to return of any Goods. Buyer must provide documentary evidence of failure, as well as the failed components themselves or representative samples of the Good that is alleged to have failed.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT AS SET FORTH ABOVE, SELLER MAKES NO OTHER WARRANTIES OF ANY NATURE WHATSOEVER REGARDING THE GOODS, WHETHER EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS FOR ALL PURPOSES, ANY AND ALL OTHER REMEDIES, REPRESENTATIONS, WARRANTIES OR COVENANTS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ALL WARRANTIES OF MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PARTICULAR PURPOSES, PERFORMANCE, CONDITION, DESIGN, APPLICATION, USE AND/OR DURABILITY AND NON-INFRINGEMENT. NO AFFIRMATION WHETHER BY WORDS OR ACTION BY SELLER, ITS AGENTS, EMPLOYEES OR REPRESENTATIVES SHALL CONSTITUTE A WARRANTY.

7. LIMITATION OF LIABILITY. BUYER’S EXCLUSIVE REMEDY AND SELLER’S EXCLUSIVE LIABILITY FOR ANY AND ALL CLAIMS ARISING OUT OF SELLER’S MANUFACTURE AND SUPPLY OF GOODS HEREUNDER, NON-DELIVERY, OR INDEMNIFICATION, WHETHER SUCH CLAIM OR LIABILITY IS BASED ON NEGLIGENCE, BREACH OF WARRANTY, BREACH OF CONTRACT, OR ANY OTHER LEGAL OR EQUITABLE BASIS, IS LIMITED TO THE PURCHASE PRICE OF THE GOODS WITH RESPECT TO WHICH SUCH CLAIM IS MADE OR, AT SELLER’S SOLE OPTION, THE REPLACEMENT OF SUCH GOODS. SELLER SHALL NOT, UNDER ANY CIRCUMSTANCES, BE RESPONSIBLE NOR LIABLE FOR ANY PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT, STATUTORY, EXEMPLARY OR CONSEQUENTIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY OUT OF OR IN

CONNECTION WITH THE POSSESSION, USE, APPLICATION, SALE AND/OR LOSS OF THE GOODS OR OTHERWISE ARISING OUT OF THE CONTRACT REGARDLESS OF SELLER’S NEGLIGENCE, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF USE, LOSS OF TIME, SHUTDOWN OR SLOWDOWN COSTS, INCONVENIENCE, LOSS BUSINESS OPPORTUNITIES, DAMAGE TO GOODWILL OR REPUTATION, OR OTHER ECONOMIC LOSS, AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN. THE FOREGOING LIMITATION APPLIES NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. Without limiting the generality of the foregoing, any liability or responsibility is disclaimed: for labor, materials, and/or other expenses required to replace a defective Good; for any damage resulting from a defective Good; for calculations, product drawings, or engineering design specifications; regarding the accuracy of any plans, drawings, or specifications furnished to Buyer as part of the sale of any of its Good; for loss or damage resulting from failure to abide by manufacturer’s warnings, safety instructions, or other precautionary guidelines.

8. INDEMNIFICATION. Buyer will indemnify, defend and forever hold Seller and its directors, officers, employees, agents, suppliers, parents, affiliates, subsidiaries, successors and assigns harmless from any and all fines, penalties, suits, actions, claims, liabilities, judgments, costs, and expenses (including but not limited to attorneys’ fees and expenses) resulting or arising out of or in connection with, or related to any of Seller’s Goods, these Terms, or the Contract, **REGARDLESS OF HOW SUCH CLAIMS ARISE AND REGARDLESS OF THE CAUSE, INCLUDING WITHOUT LIMITATION, THE NEGLIGENCE (ACTIVE, PASSIVE, JOINT, OR CONCURRENT) OR STRICT LIABILITY OF, OR BREACH OF WARRANTY, DUTY, OR CONTRACT BY SELLER OR ITS RELATED PARTIES, OR ANY OTHER THEORY OF LEGAL LIABILITY.** Buyer agrees to maintain adequate insurance to support its obligations under the Contract, and shall furnish to Seller certificates of insurance to evidence that adequate insurance is in place and is in full force and effect. The foregoing indemnification applies, but is not limited to, injury to person (including death) or damage or harm to property or the environment.

9. FORCE MAJEURE. Neither party shall be liable in any respect for failure to perform hereunder (except for failure to pay to the other party any amounts owing to such party hereunder) if hindered or prevented, directly or indirectly for a reason outside its reasonable control including, without limitation, war, national emergency, terrorism, riot, inadequate transportation facilities, inability to secure materials, supplies, fuel or power, plant breakdown, fire, flood, windstorm, explosion, accident or other act of God, strike or other labor dispute, order or act of any government, whether foreign, national or local, whether valid or invalid, or any other cause of like or different kind (a “Force Majeure Event”). If either party is unable to perform its obligations hereunder due to a Force Majeure Event, or if either party considers it likely that it may become so unable, then that party shall, as soon as reasonably practicable, notify the other of the estimated extent and duration of such inability. Any quantity of Good so affected will be deducted from the total quantity on any outstanding order. Seller may, during any period of shortage, prorate its supply of such goods among all its customers in such manner as it shall determine in its sole and absolute discretion. Seller will not be required to procure Goods from third parties to satisfy its obligations to Buyer hereunder. Any cyberattacks or other means of cyber-crime against Buyer or Seller shall not excuse the non-receipt of any payments made by one party but not received by the other except to the extent of the fault of the intended recipient.

10. COMPLIANCE. The obligations stipulated in the Contract shall be performed in an ethical manner, using sound business practices and in accordance with applicable law, including but not limited to, laws prohibiting commercial bribery, improper payments to public officials and money laundering. Buyer agrees to comply with all applicable laws and regulations of all jurisdictions governing the export, re-export, transport, trafficking and brokering of the Goods including, but not limited to, the export control and sanctions laws and regulations of the country in which the Buyer conducts its business, and the export control and sanctions laws and regulations of the United States. Upon request, Buyer will provide Seller with a certification of compliance with the foregoing provisions. Any failure to comply with the foregoing provisions will be considered a breach of the Contract subject to damages and any other remedies available under the Contract and at law including, without limitation, the right of the non-breaching party to immediately terminate the Contract.

11. ASSIGNABILITY. The Contract, including all rights, duties and obligations hereunder, will be binding upon and inure to the benefit of the respective successors and assigns of the parties, and may not be transferred or assigned by Buyer without the prior written consent of Seller.

12. GOVERNING LAW. The Contract is governed by, and is to be construed in accordance with, the laws of the State of Michigan, without regard to the conflicts of laws provisions thereof. THE “U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS” AND THE “CONSTITUTION ON THE LIMITATION PERIOD

IN THE INTERNATIONAL SALE OF GOODS” SHALL NOT GOVERN NOR APPLY TO ANY MATTERS ADDRESSED HEREIN OR RELATED HERETO.

13. DISPUTE RESOLUTION. In the event any dispute arises in connection with the Contract, the parties agree to use their best efforts to settle such dispute by consulting and negotiating with each other in good faith to reach a just and equitable solution satisfactory to both parties. In the event that the parties are unable to resolve a dispute within 45 days, the dispute will be referred to AAA for mediation. If the parties are unable to resolve the dispute by mediation, the dispute will be finally settled by arbitration in front of one arbitrator in accordance with the rules of AAA. The arbitrator will be unaffiliated in any manner with either of the parties and will be generally familiar with the chemical flow processes utilizing pipes, valves and fittings. The arbitration will take place in Kentwood, Michigan. The arbitrator will have authority to award relief under legal or equitable principles, and to allocate responsibility for the costs of the arbitration and to award recovery of attorneys’ fees and expenses in such manner as is determined to be appropriate by the arbitrator. The arbitration award will be final and binding on the parties, and will deal with the question of costs of arbitration and all matters related thereto. Judgment upon the award rendered may be entered into any court having jurisdiction, or application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be. The arbitration will be governed by the choice of law set forth herein. Notwithstanding the foregoing, Seller need not resort to mediation or arbitration for resolving disputes related to Seller’s right to enforce payment for the Goods, and Seller may bring suit against Buyer to enforce its right to payment in any competent court having jurisdiction over Buyer or its assets, wherever located.

14. NO USE OF SELLER’S MARKS. Unless otherwise explicitly agreed in writing, Buyer will not use Seller’s trade names, trademarks, logos or other similar identifying marks or characteristics for the manufacture, sale or promotion of Buyer’s products without Seller’s prior written consent.

15. NOTICES. Notice by either Seller or Buyer will be made only by e-mail to the address set forth in the Contract with confirmation of receipt, or by letter addressed to the other party at its address in the Contract, and will be considered given as of (a) the time it is confirmed by read receipt for e-mail or (b) the business day immediately following the day on which it is deposited with a recognized overnight courier (postage or charges prepaid). If no contact information is provided in the Contract, notices to Seller should be made by e-mail to mipo@andronaco.com.

16. SEVERABILITY. In the event any one or more of the provisions contained in these Terms should be found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect against any party hereto, such invalidity, illegality, or unenforceability will only apply to such party in the specific jurisdiction where such judgment is made, and the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby. These Terms will not be reformed in any way that will deny any party the essential benefits of the Contract, unless such party waives its rights to such benefits in writing.

17. REMEDIES: The rights and remedies reserved to Seller shall be cumulative and additional to all other remedies provided by law or in equity. Seller shall be entitled to recover costs and attorneys’ fees in the enforcement or defense of any rights hereunder. Buyer expressly agrees that Seller may, upon prior notice and at its expense, audit the books and records of Buyer referring or relating to the Goods including, but not limited to, any documents relating to (i) payment for the Goods; (ii) Buyer’s current financial condition; and (iii) any disposition or subsequent transfer, by resale or otherwise, of any Goods.

18. MISCELLANEOUS. Time is of the essence as to all time periods stated herein, except delivery dates which are estimated. All captions are for convenience only and do not constitute a part of these conditions. In the event of any breach or default of these conditions by Buyer, Seller may employ a representative or attorney to remedy such breach or default, and Buyer shall pay to Seller all costs, expenses and fees, including reasonable attorneys’ fees, incurred by Seller in the enforcement hereof and the obtaining of such remedy. Buyer represents and warrants to Seller that Buyer has not ceased to pay its debts in the ordinary course of business, that it can pay its debts as they become due, and that it is and continues to be solvent within the meaning of the Federal Bankruptcy Act.