

Standard Terms and Conditions of Purchase

Effective October 1, 2016

In the following text, the terms "Purchaser, Us, We and Our" will be used synonymously with Flow-Rite Controls and the terms "Supplier or You" will refer to the provider of goods, supplies or services purchased by Us.

1. General

Our terms and conditions of purchase apply exclusively. We do not accept conflicting general business terms and conditions of the Supplier, or any Supplier terms and conditions which differ from our terms and conditions of purchase unless We expressly agree in writing.

2. Conclusion and Modification of Contract

All purchase orders, releases and contracts as well as their modification and amendments must be in written form. No oral agreements or modifications will be binding, unless made in writing and signed by Us. Purchase orders and releases may be issued via electronic medium or facsimile.

3. Delivery

3.1. Deliveries shall be made both in quantities and at times specified on written releases or purchase orders, supplied by Purchaser. Quantities and the time specified for delivery under any release or purchase order are of the essence. Supplier shall adhere to shipping directions specified on Purchaser's releases or purchase order, whether in written or electronic format. Purchaser shall not be required to make payment for goods delivered to Purchaser which are in excess of quantities specified in Purchaser's order or release. Purchaser may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the price of goods or services covered by any purchase order or release. Purchaser may reschedule deliver against its order and extend supplier due date a maximum of 30 days from original acknowledged due date without liability.

3.2. The shipping releases referenced in section 3.1. Shall be confirmed by Supplier within 48 hours. If no confirmation is made within 48 hours by Supplier, Supplier shall be fully responsible for fulfillment of shipment in the quantities so stated.

3.3. All shipments must be accompanied by a packing list showing Our order number, quantity shipped, description of the goods or services, and such other information as Purchaser shall reasonably require.

3.4. Unless otherwise agreed upon, all deliveries shall be made DDP (INCOTERMS 2014) Purchaser's designated place of business, during Purchaser's customary operating hours. Purchaser will be responsible for reasonable costs of shipment from Supplier's production facilities to Purchaser's designated place of business; provided, however, that title to the Parts and responsibility for the risk of loss (insurance) shall not pass to Purchaser until delivery to Purchaser's designated place of business.

3.5. All premium shipping expense and/or related expenses necessary to meet delivery schedules shall be Supplier's sole responsibility.

3.6. Acceptance of a delayed shipment or service shall not constitute a waiver of claims to which Purchaser is entitled due as a result of such delay.

4. Packaging, Shipment Manner, Product Identification

Unless otherwise specified by Purchaser, Supplier shall ensure that all products are shipped and identified according to the Supplier specifications set forth in this section. All Supplier packaging materials, types, size, and standard pack quantity along with back-up packaging must be approved by Purchaser prior to a shipment. All packaging must conform to all state, local and federal regulations, with regard to the storage, transportation and disposal of materials. All packaging design and construction must provide the adequate protection of the goods and present defect-free goods to the Purchaser. All packaging design and construction must meet the minimum standards described herein, and Purchaser reserves the right to reject an entire packaging unit, if one or more are delivered in non-conformance with the standards set forth herein. Purchaser assumes no responsibility for Supplier's packaging design or performance.

5. Invoicing

All invoices for each shipment shall be properly forwarded to such address as may be provided by Purchaser, in duplicate, and containing a purchase order number, and in accordance with any other written instructions provided by the Purchaser. Invoices for charges other than or in excess of the amount shown on the purchase order will not be honored without a written acceptance by the Purchaser. No charges shall be made by Supplier for any cartage, storage, or packing, unless otherwise expressly agreed to by the Purchaser. In no event shall Supplier's invoice be enclosed with any shipments.

6. Payment Terms

Unless otherwise specified by a purchase order, each invoice may be paid net 45 days. All payments are subject to invoice verification and acceptance of the goods.

7. Compliance

7.1 Supplier agrees to comply with all federal, state, local and foreign laws, rules, regulations and ordinances which may be applicable to Supplier's performance of its obligations under this order, and this order shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders, rules, regulations and ordinances. All purchased materials used in manufacture shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental considerations applicable to the country of manufacture and sale.

7.2 Supplier represents and warrants that it and its supply chain are currently in compliance, and it covenants that it and its supply chain shall continue to comply, with existing and future law relating to "conflict minerals" as defined by the Dodd-Frank Wall Street Reform Act. Supplier shall be responsible for and shall release, defend, indemnify and hold

harmless Purchaser from and against any liability resulting from the breach of the aforementioned representation and warranty and covenant.

8. Ownership of Work Product

All work product, resulting or derived from, or made in the course of performing services under a purchase order, or delivering the goods, including any invention (whether or not patentable), research results, software programs, written material, or derivative or modification of any background technology identified in an order (collectively "Work Product") will be considered "work for hire" unless already in the public domain. All right, title and ownership interest in the items of Work Product will be vested exclusively with Purchaser. All rights in and to the background technology specifically identified in a work order will remain with the Supplier, provided that, to the extent that any such background technology is included or incorporated into the Work Product, Purchaser is hereby granted a perpetual, non-terminable, royalty-free license to use, reproduce and distribute the same for any and all purposes. Supplier agrees to execute any and all documents and instruments as may be necessary to evidence, perfect, or otherwise confirm Purchaser's rights hereunder in respect of the Work Product. If by operation of law any Work Product, including all related intellectual property rights, is not owned exclusively by the Purchaser automatically upon the creation thereof, then Supplier agrees to assign and hereby assigns to Purchaser all of the Supplier's rights in that Work Product, including all related intellectual property rights and goodwill associated therewith. Upon request of Purchaser, Supplier will promptly deliver all items or representations of the Work Product, in whatever form or media to Purchaser or its designee at no cost to Purchaser other than Supplier's actual out-of-pocket expenses incurred (such as shipping charges) in delivering such materials.

9. Intellectual Property

Supplier represents and covenants that the goods described herein and the sale or use of them will not infringe any United States patent and agrees that it will, at its own expense, defend any suit which may be brought against Purchaser or those selling or using the goods (provided the Supplier is notified promptly of such suit and copies of all papers therein delivered to Supplier), for any alleged infringement of any patent by reason of the sale or use of such article, and Supplier agrees to pay all judgments and costs recovered in any such suit and to reimburse Purchaser for all costs and expenses including legal fees, incurred in defense of any such claim or suit.

10. Confidentiality

10.1. The term "Confidential Information" as used herein means all information, data and experience, whether of a technical, engineering, operational or economic nature obtained by Supplier from Purchaser, relating to Purchaser's business and may include, without limitation, information relating to Purchaser's products, research and development, marketing plans or techniques, client lists, and any scientific or technical information, design, process, procedure, formula, or know how (whether or not patentable), financial data and employee information.

10.2. Supplier agrees with respect to all Confidential Information received from Purchaser that: (a) except with the Purchaser's prior written consent, Supplier will not divulge to any party who is not a party to this agreement any Confidential Information received from Purchaser; (b) Supplier will use the Confidential Information only for the purposes specified in this agreement and not to compete with Purchaser or otherwise commercially exploit the Confidential Information; (c) Supplier will take all precautions

necessary or helpful to be sure that any information received from the other party to this agreement will be kept confidential and not divulged to any third party; and (d) that the Confidential Information shall remain the sole and exclusive property of the Purchaser. Products built on the basis of the Confidential Information (such as based on drawings, models, tooling or the like) may neither be used by the Supplier nor offered to third parties.

10.3. The foregoing restrictions as to the disclosure and use of Confidential Information shall not apply to: (a) any information which is now part of the public domain or which hereafter becomes part of the public domain through no fault of the Supplier; or (b) to any information which was in the Supplier's possession at the time of receipt from the Purchaser; or (c) to any information which subsequently comes into the

Supplier's possession and was not acquired by the Supplier directly or indirectly from (i) the Purchaser; (ii) services under obligation of secrecy to the Purchaser; or (iii) services which require the Supplier to hold it in confidence; or (d) to any information which is independently developed by an employee or agent of the Supplier without knowledge of the Purchaser's Confidential Information as may be proved by prior written record; or (e) to any disclosure of Confidential Information made in response to a valid order of a court or other governmental body provided, however that before making such disclosure pursuant to such order, Supplier shall have given written notice to the Purchaser, shall have made a reasonable effort to obtain a protective order requiring that Confidential Information so disclosed be used only for the purpose for which the order was issued.

10.4. Purchaser's Confidential Information may be disseminated by the Supplier only within its own organization and only to the extent reasonably required to accomplish the purposes of this agreement. The Supplier shall require each of its suppliers, employees and representatives having access to the Confidential Information to treat that information as confidential and shall use its best efforts to assure compliance with the terms of this agreement.

10.5. Supplier agrees to make only such additional copies of the Confidential Information as are reasonably required to accomplish the purposes of this agreement and to keep such confidential and all copies thereof secured and unavailable to anyone not authorized to view them. Supplier further agrees to return to Purchaser or destroy (as directed by the Purchaser) all copies of the Purchaser's Confidential Information once the purposes of this Agreement have been completed or immediately upon request of the Purchaser made at any time.

10.6. Supplier recognizes that irreparable injury will result to Purchaser in the event of a breach of the covenants contained in this Agreement on the part of the Supplier and agrees that in the event of breach or threat of such breach, the Purchaser shall be entitled to, in addition to all other remedies and damages available, an injunction to restrain the violations thereof by the Supplier and all persons acting for, and or with the Supplier including attorney's fees and court costs.

11. Non-Solicitation

During the term of this Agreement and for a period of three (3) years after its expiration or termination, Supplier (and its owners and employees) shall not either directly or indirectly solicit any customers or potential customers or employees of Purchaser, at any time prior to or subsequent to the date of this Agreement, either to purchase products which compete with Our Products, or to become employed by a company other than Purchaser. Supplier acknowledges that a breach of its obligations under this Section would cause irreparable harm to Purchaser for which

monetary damages alone would not be an adequate remedy, and full compliance with the provisions of this Agreement is necessary to protect the business and goodwill of the Purchaser. It is further understood and acknowledged by Supplier that it is adequately being compensated by this non-solicitation requirement as evidenced by the acceptance of this Agreement and the substantial revenue it will receive from it. Supplier acknowledges and agrees that it enters into this Agreement of its free will and understanding. Accordingly, in the event of a breach or a threatened breach of this Agreement, Purchaser shall be entitled to the extent permissible under applicable law to obtain preliminary or permanent injunctive relief without the necessity of proving actual damages by reason of such breach or threatened breach, and a temporary restraining order shall be granted immediately without prior written notice of any other action. If Purchaser prevails in any suit or other proceeding to enforce this action or remedy or breach thereof, Supplier will pay Purchaser's reasonable attorney's fees and costs incurred in any such suit or proceeding.

12. Termination

12.1. Purchaser may immediately terminate this order without liability to Supplier in the event of the happening of any of the following or any other similar or comparable event: (i) insolvency of Supplier; (ii) filing of a voluntary petition in bankruptcy by Supplier; (iii) filing of an involuntary petition in bankruptcy against Supplier; (iv) appointment of a receiver or trustee for Supplier; (v) or execution of an assignment for the benefit of creditors of Supplier, provided that such petition appointment or assignment if made or filed involuntary against Supplier is not vacated or nullified within fifteen (15) days of such event.

12.2. Upon Supplier's receipt of notice of termination by Purchaser in conformity with the terms of the Agreement, Supplier, unless otherwise directed in writing by Purchaser, shall (i) terminate immediately all work under this order; (ii) transfer title and deliver to Purchaser the Work Product, other finished work, the work-in-process, and the parts and materials which Supplier produced or acquired in accordance with this order and which Supplier cannot use in producing goods for itself or for others; (iii) settle all claims by subcontractors approved by Purchaser hereunder, if any, for reasonable actual costs that are rendered unrecoverable by such termination; (iv) take actions reasonably necessary to protect property in Supplier's possession in which Purchaser has an interest and (v) upon Purchaser's request, cooperate with Purchaser in effecting the resourcing of Supplier's goods and/or services covered by this order to a different supplier designated by Purchaser.

12.3. Upon termination by Purchaser, Purchaser shall pay to Supplier the following amounts without duplication: (i) the purchase order price for all finished work and completed services which conform to the requirements of this order and not previously paid for; (ii) Supplier's reasonable actual cost of the work-in-process and parts and materials transferred to Purchaser in accordance with subsection 12.2.(ii) hereof; (iii) Supplier's reasonable actual cost of settling the claims of the obligation Supplier would have had to the subcontractors in the absence of termination, and (iv) Supplier's reasonable actual cost of carrying out its obligations under subsection 12.2.(iv) and (v). Purchaser shall not be liable for and shall not be required to make payments to Supplier, directly or on account of claims by Supplier's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from termination of this order or otherwise. Notwithstanding anything herein to the contrary,

Purchaser's obligation to Supplier upon termination under this Section shall not exceed the obligation Purchaser would have had to Supplier in the absence of termination.

12.4. Within twenty (20) days after the effective date of termination under this Section, Supplier shall furnish to Purchaser its termination claim, together with all supporting data which shall consist exclusively of the items of Purchaser's obligation to Supplier that are listed in subsection 12.3. Purchaser may audit Supplier's records before or after payment to verify amounts requested in Supplier's termination claim.

13. Bailed Property; Tooling

13.1. All supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, gauges, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout, consigned material for production or repair and other items furnished by Purchaser either directly or indirectly, to Supplier to perform this order, or for which Supplier has been reimbursed by Purchaser (collectively, "Bailed Property"), shall be and remain the property of Purchaser and be held by Supplier on a bailment basis. Supplier shall bear the risk of loss of and damage to the Bailed Property and Supplier at its own expense shall keep such Bailed Property insured for the benefit of Purchaser. The Bailed Property shall at all times be properly housed and maintained by Supplier; shall not be used by Supplier for any purpose other than production of Purchaser's items; shall be conspicuously marked by the Supplier to identify it as the property of the Purchaser and indicate the Purchaser's name; shall not be commingled with the property of Supplier or with that of a third person and shall not be moved from Supplier's premises without Purchaser's prior written approval. Supplier, at its expense, shall maintain, repair and refurbish Bailed Property in first class condition. All replacement parts, additions, improvements and accessories for such Bailed Property shall automatically become Purchaser's property upon their incorporation into or attachment to the Bailed Property.

13.2. Upon Supplier's receipt of notice of termination by Purchaser in conformity with the terms of the Agreement, Supplier agrees that Purchaser has the right, at any time, with or without reason and without payment of any kind to retake possession of or request return of any or all Bailed Property. Upon the request of Purchaser, the Bailed Property shall be immediately released to Purchaser or delivered to Purchaser by Supplier, either (i) D.D.P., Supplier's plant, properly packaged and marked in accordance with the requirements of the carrier selected by Purchaser to transport such property, or (ii) to any location designated by Purchaser, in which event Purchaser shall pay to Supplier the reasonable cost of delivering such Bailed Property to such location. Purchaser shall have the right to enter onto Supplier's premises at all reasonable times to inspect the Bailed Property and Supplier's records with respect thereto. When permitted by law, Supplier waives any lien or other rights that Supplier might otherwise have on any of the Bailed Property for work performed on such property or otherwise.

13.3. Supplier acknowledges and agrees that (i) Supplier has inspected Bailed Property and is satisfied that the Bailed Property is suitable and fit for its purposes, and (ii) PURCHASER HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE BAILED PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. Purchaser will not be liable to Supplier for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the Bailed Property, including, without limitation,

the use or maintenance thereof, or the repair, service or adjustment thereof, or by any interruption of service or for any loss of business whatsoever or howsoever caused, including, without limitations any damages or loss of anticipatory, profits or any other indirect, special or consequential damages.

14. Inspection

Purchaser shall have the right to enter Supplier's facility at reasonable times to inspect the facility, goods, materials and any property of Purchaser covered by any order. Purchaser's inspection of the goods whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

15. Nonconforming Goods, Guaranties and Quality

15.1 Supplier expressly warrants that all goods and services covered by this order will conform to the specifications, drawings, samples or descriptions furnished to or by Purchaser and/or U.S. industry standards, and all laws and regulations in force in countries where products or vehicles equipped with such products are to be sold, and will be merchantable, of good material and workmanship and free from defects. In addition, Supplier acknowledges that Supplier knows of Purchaser's intended use and expressly warrants that all goods and services covered by this order which have been selected, designed, manufactured or assembled by Supplier, based upon Purchaser's intended use, will be fit and sufficient for the particular purpose intended by Purchaser. Such warranty will be effective for the longer of (i) the period provided by applicable law, or (ii) the warranty period provided by Purchaser to its customers; provided, however, in the case of any recall campaign or other customer satisfaction or corrective service action undertaken by Purchaser or its customers, the warranty shall continue for such time period as may be dictated by Purchaser's customer or the federal, state, local or foreign government where the goods are used or the services provided.

15.2 Supplier shall continuously verify the quality of the goods. Supplier shall notify Purchaser in written form about any possible improvement to the goods.

15.3 Incoming goods and services from Supplier are subject to Purchaser's inspection. If quantity and/or quality of the shipment or performance of services do not conform to Purchaser's specifications, Purchaser has the right to reject the goods/services entirely or partially. In case of rejection, Supplier will be responsible for all shipping and related costs associated with the rejected goods or services, including damages resulting to third parties. Upon rejection, Supplier will replace the nonconforming goods or re-perform the non-conforming services solely at Supplier's costs. With respect to non-conforming goods, Supplier has 10 working days to pick up the non-conforming goods; after this period of time, Purchaser is free of responsibilities about the disposition or use of the non-conforming goods, and Supplier will be held responsible for any costs associated therewith.

16. Services and Replacement Parts

Supplier will sell to Purchaser all goods necessary for Purchaser to fulfill Purchaser's and its customers' service and replacement parts requirements for the same price as the goods purchased under this Agreement.

17. Indemnification

17.1. Supplier hereby covenants and agrees to indemnify and hold Purchaser, its directors, officers and employees harmless from any claims,

liabilities, damages (including special, consequential, punitive and exemplary damages), cost and expenses (including reasonable attorney fees) incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover for personal injury or death, property damage or economic losses) that are related in any way to or arise in any way from: (i) Supplier's representations, performance of obligations under any purchase order, including claims based on Supplier's breach or alleged breach of warranty (whether or not Supplier's goods or services have been incorporated into Purchaser's products and/or resold by Purchaser); (ii) the breach of any terms contained in the Agreement or herein; (iii) any acts, errors, or omissions on the part of Supplier or its agents or employees; and (iii) claims for any violation of any applicable law, ordinance or regulation or government authorization or order. Supplier's obligation to indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise, except to the extent of any such liability arising out of the sole negligence of Purchaser.

17.2. If Supplier performs any work on Purchaser's premises or utilizes the property of Purchaser, whether on or off Purchaser's premises, Supplier shall indemnify and hold Purchaser, its directors, officers and employees harmless from and against any liabilities, claims, demands or expenses (including reasonable attorney fees) for damages to the property of or injuries (including death) to Purchaser, its employees or any other person arising from or in connection with Supplier's performance of work or use of Purchaser's property except to the extent of any such liability, claim or demand arising out of the sole negligence of Purchaser.

18. Insurance

Supplier shall obtain and maintain at its expense insurance coverage as reasonably requested by Purchaser with such insurance carriers and in such amounts as are reasonably acceptable to Purchaser. Supplier shall furnish to Purchaser certificates of insurance setting forth the amount of coverage, policy number and date(s) of expiration for insurance maintained by Supplier and such certificates must provide that Purchaser shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of overages.

19. Parts Identification

All goods supplied pursuant to this order which shall be construed as a completed part shall permanently bear the Purchaser's part number and name or code name, Supplier's name, and date of manufacture by Supplier.

20. Entire Agreement

The terms herein, including any supplemental terms referenced in the purchase order, release or as may be attached hereto contain the entire agreement among the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written. The express terms hereof control and supersede any course of performance or usage of trade inconsistent with any of the terms hereof.