



**CLARKE FIRE PROTECTION PRODUCTS, INC.
STANDARD TERMS AND CONDITIONS OF SALE (US)**

- 1. Product.** Clarke Fire Protection Products, Inc. (“Seller”) adds accessories (the “Accessories”) to basic engines (the “Engines”) for emergency stationary fire pump applications. The Engines with the Accessories are the “Product.” The attached sales order (“Sales Order”) and these standard terms and conditions of sale (“Terms and Conditions”) shall constitute the contract between Seller and Buyer (the “Contract”) with respect to the Product covered in the attached Sales Order. The Seller’s Quote, Order Agreement, and these Terms and Conditions supersede any prior and/or contemporaneous agreements or correspondence between Clarke and Buyer; any modifications to the contract and/or supplemental agreements must be provided in writing and signed by both parties. **ALL SALES OF CLARKE PRODUCT ARE SUBJECT TO AND CONDITIONED ON BUYER’S ACCEPTANCE OF THESE TERMS AND CONDITIONS. BUYER’S FAILURE TO NOTIFY CLARKE IN WRITING OF ANY OBJECTIONS TO THESE TERMS WITHIN TEN DAYS AFTER BUYER’S RECEIPT HEREOF, AND BUYER’S ACCEPTANCE OF THE PRODUCT SPECIFIED IN THE ATTACHED SALES ORDER AND DELIVERED AGAINST ITS ORDER, CONSTITUTES BUYER’S ASSENT TO AND ACCEPTANCE OF THESE TERMS. SELLER HEREBY EXPRESSLY REJECTS ANY ADDITIONAL, INCONSISTENT OR CONFLICTING TERMS PROPOSED BY BUYER.** Clerical errors are subject to correction in all cases. Any provision of these Terms and Conditions that is invalid under applicable law or court order shall not in any way invalidate or affect the remaining provisions of these Terms and Conditions.
- 2. Payment Terms.** Unless otherwise specifically stated in the attached Sales Order, payment of net invoice is due (a) upon receipt of the invoice or (b) if Buyer has approved credit with Seller, 30 days after the invoice date. If payment is received after the due date, Seller may impose a late charge equal to 1.5% of the delinquent amount per month (or portion of a month). Buyer shall pay all costs of shipment of the Product ordered.
- 3. Delivery.** All stated delivery dates are approximate and are EX WORKS factory, unpacked. Seller will use reasonable commercial efforts to schedule Buyer’s order for delivery as nearly in accordance with Buyer’s instructions as possible and advise Buyer accordingly. However, Seller does not guarantee, or assume any liability for failure to meet, any delivery date proposed by Buyer or Seller. If delivery is rescheduled by Buyer, Buyer shall pay to Seller all costs incurred by Seller as a result of the change.
- 4. Warranty.** Seller warrants that the Accessories will be free from defects in material and workmanship during the warranty period. The warranty period begins on the date of commissioning, and ends 24 months from that date. If the Accessories are found by Seller to be defective, Seller will, at its option, repair or replace the Accessories. Engine defects are solely the responsibility of the Engine manufacturer. Seller replacement parts installed on the Product by Seller or a Seller authorized service outlet prior to the expiration of the warranty period will be covered until the original warranty period expires or 90 days after the installation date of the replacement parts, whichever occurs later. Seller replacement parts installed on the Product by Seller or a Seller authorized service outlet after expiration of the warranty period will be covered under warranty for 90 days after the installation date. This warranty does not cover repairs due to accidents, misuse, storage damage, misapplication, negligence, modification or any other damage caused by any person other than Seller. This warranty does not cover labor, shipping and material costs for Product removal and reinstallation when necessary to make a warranty repair. Seller is not responsible for the cost of maintenance or repairs caused by the failure of Buyer or the user to perform any required maintenance services or to use fuel, oil, lubricants and coolant meeting Seller’s recommended

specifications. Performance of required maintenance and use of proper fuel, oil, lubricants and coolant are the responsibility of the Buyer or user. Seller does not authorize any person to assume or create for it any obligation or liability in connection with the Product other than as expressly set forth herein. Buyer must notify Seller, in writing, of any defective Accessories within the warranty period for this warranty to apply to such defective Accessories. Seller shall have a reasonable time after receiving notice of a defective Accessory during the warranty period, to repair or replace such defective Accessory.

SELLER MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, OTHER THAN THOSE EXPRESSLY SET FORTH ABOVE, WHICH ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES WITH RESPECT TO THE PRODUCT. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR THE PRODUCT, OR FOR INDEMNIFICATION OF BUYER ON ACCOUNT OF ANY CLAIM ASSERTED AGAINST BUYER, OR FOR ANY OTHER DAMAGE OF ANY KIND, WHETHER DIRECT OR INDIRECT, NOT EXPRESSLY ASSUMED HEREUNDER.

5. **Additional Notice and Disclaimer for Engines Installed in California.** For any sales of stationary compression ignition engines installed in California after January 1, 2005, the attached Notice and Disclaimer For Stationary Compression Ignition Engines Installed In California After January 1, 2005 shall be part of these Terms and Conditions.
6. **Inspection and Claims for Shortages or Damaged or Defective Items.** Buyer shall inspect all Product upon delivery and shall notify Seller in writing of any shortages in its order or any readily ascertainable damaged or defective Product within 30 days of delivery. Failure of Buyer to do so shall relieve Seller of any responsibility for such matters.
7. **Taxes.** Prices quoted do not include any taxes which may now or hereafter be applicable to or imposed upon the Product or services involved in completion of any purchase, including, without limitation, sales, use and similar taxes. Buyer shall pay or reimburse Seller or its subcontractors or suppliers, as applicable, for any such taxes paid by Seller or its subcontractors or suppliers.
8. **Cancellation.** Buyer may only cancel an order upon payment to Seller by Buyer of an amount equal to the amount of all out-of-pocket and other expenses incurred by Seller in reliance upon Buyer's order plus 5% of the total amount of such expenses.
9. **Custom Products.** Please refer to page six, the Standard Terms and Conditions Addendum – Custom Products.
10. **Security Interest.** Buyer hereby grants, a security interest in the Product(s) to secure any and all payment obligations of Buyer to Seller under this Contract. Buyer authorizes Seller, in its discretion, to file UCC Financing Statements (or their equivalent in any foreign jurisdiction) in order to perfect (or otherwise provide notice of) the security interests granted in this Contract. At Seller's request, Buyer shall execute such documentation reasonably required by Seller to perfect its security interest. In event of dispute, neither Seller's acceptance of less than the full payment of any amount owed by Buyer nor Seller's repossession of the Product shall constitute a waiver of Seller's right to collect the entire unpaid balance owed to Seller, or be deemed as satisfaction of any claim of Seller. Buyer shall immediately reimburse Seller for any and all reasonable expenses incurred by Seller (including reasonable attorney's fees and expenses of disposal) in the event that Seller retakes possession of any Product in order to enforce its rights under, or to recover damages for a material breach or default of Buyer's obligations under, this

Contract. Buyer agrees to maintain the Product in proper operating condition and to provide protection and insurance as necessary to prevent loss, damage or destruction of the Product until full payment for the Product has been made.

- 11. Indemnification** Buyer shall indemnify and hold Seller harmless from and against all suits at law and in equity and all liabilities, claims, demands and damages arising out of or attributable to (a) Buyer's breach of any term hereof or (b) Buyer's or user's design, specifications, misapplication or modification of the Product, failure to perform required maintenance services, for actual or alleged infringement of any patent because of the specification, design or modification required by Buyer, or failure to cooperate with Product recalls.
- 12. Disputes.** Buyer shall make no set-off, retention, or other deduction from amounts to be paid to Seller under the Contract without the express written consent of a duly authorized representative of Seller. This Contract shall not be governed by the 1980 U.N. Convention on Contracts for the International Sale of Goods; rather, this Contract shall be solely governed by, and construed in accordance with, the laws of the State of Ohio, U.S.A., without regard to conflicts of law principles that would recognize the application of any other law. Any controversy or claim arising out of or related to the Contract or the breach thereof, (a) shall be settled by arbitration administered by the American Arbitration Association in Cincinnati, Ohio under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof, and (b) must be commenced prior to the first anniversary of the date of Buyer's acceptance of the attached Sales Order. Notwithstanding the foregoing, Seller at all times shall have the right to seek such remedies through any court, wherever located, including without limitation injunctive relief, as it deems necessary or desirable to protect its confidential information and/or its intellectual property rights. If either party incurs any actual and reasonable expenses (including attorney's fees, costs, expenses, and/or disbursements) in order to enforce its rights under, or to recover damages for a material breach or default by the other party of any obligations under, this Contract (including, for example, any costs associated with Seller's repossession of the Product), the prevailing party shall be entitled to recover from the other party any such expenses incurred by the prevailing party.
- 13. Resale.** If Buyer resells any of the Product sold under this Contract to any third party purchaser, Buyer shall include language in an enforceable agreement with its purchaser that makes the language in these Terms and Conditions, including the provisions in paragraph 4, binding on its purchaser and any subsequent purchasers of the Product.
- 14. Additional Representations.** Clarke DOES NOT represent the Product as meeting any application-specific requirements, industry codes, certifications, or local ordinances UNLESS such compliance is stated by Clarke in the product quotation for the specific application.
- 15. Compliance with Law.** Buyer shall comply with all applicable laws, including any U.S. laws and regulations that may have a direct application to Buyer, including by way of example but without limitation, U.S. export controls and economic sanctions, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and U.S. anti-boycott regulations. With regard to U.S. export controls and economic sanctions:

 - nuclear;
 - missiles and rocket systems;
 - unmanned air vehicle systems;
 - chemical and biological weapons;
 - maritime nuclear propulsion;

- non-U.S. vessels or aircraft;
- military uses; or
- research and development, scientific, or defense-related institute, organization, etc., related to or involved with any of the above.

16. Governing Language. This Contract was made in English. If any translation of the Contract conflicts with the English version or contains terms in addition to or different from the English version, the English version shall prevail.

**NOTICE AND DISCLAIMER
FOR STATIONARY COMPRESSION IGNITION ENGINES
INSTALLED IN CALIFORNIA AFTER JANUARY 1, 2005**

1. This Notice and Disclaimer is an addendum to, and made a part of, Seller's ("Seller") Standard Terms and Conditions of Sale and, in all respects not inconsistent therewith, also applies to all sales of stationary compression ignition engines installed in California after January 1, 2005.
2. Stationary diesel-fueled compression ignition engines installed in California after January 1, 2005 are subject to California's Airborne Toxic Control Measure for Stationary Compression Ignition Engines (the "ATCM"), Cal. Code Regs. Title 17, Section 93115. The California Air Resources Board ("CARB") has reviewed the emissions estimation methodology provided by Seller Fire Protection Products, Inc. ("Seller") and has concluded that Seller has used a valid methodology for estimating the emissions from engines supplied by Seller and that the engines presumptively comply with the ATCM's emissions standards. Seller's methodology used existing emissions test data associated with similar engines to estimate the emissions produced by the emergency gen set engines supplied by Seller.
3. The Attachment shows the estimated emissions from the engines supplied by Seller using Seller's methodology.
4. CARB's determination is not binding on the local air districts, which have primary jurisdiction for implementing and enforcing the ATCM. Actual test data in the field or other information established by the local air districts or CARB that show actual emissions from an engine supplied by Seller in excess of the ATCM limitations could indicate a violation of the ATCM and subject the seller, owner and operator of the engine to penalties under California law. Although Seller believes that the engines supplied by Seller comply with the ATCM based on the available data and methodology accepted by CARB, for the foregoing reasons, Seller cannot, and does not, guarantee that its engines will comply with the ATCM emission regulations.
5. SELLER MAKES NO WARRANTIES OR GUARANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, THAT THE ENGINES SUPPLIED BY SELLER WILL COMPLY WITH THE ATCM. SELLER ALSO EXPRESSLY DISCLAIMS THAT THE ENGINES SUPPLIED BY SELLER WILL, IN FACT, COMPLY WITH THE ATCM. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR THE ENGINES SUPPLIED BY SELLER OR FOR INDEMNIFICATION OF BUYER ON ACCOUNT OF ANY CLAIM ASSERTED AGAINST BUYER, OR FOR ANY OTHER DAMAGE OF ANY KIND, WHETHER DIRECT OR INDIRECT, IF THE ENGINES SUPPLIED BY SELLER DO NOT COMPLY WITH THE ATCM.
6. If Buyer resells any of the goods sold under this Contract to any third party purchaser, Buyer shall include language in an enforceable agreement with its purchaser that makes the language in Seller's Standard Terms and Conditions of Sale of which this Notice and Disclaimer is a part, including Seller's disclaimer of warranties and remedies in paragraph 5 of this Notice and Disclaimer, binding on its purchaser and any subsequent purchasers of the goods.

Standard Terms and Conditions of Sale Addendum – Custom Products

This addendum constitutes a supplement to the Clarke Fire Protection Products, Inc., Standard Terms and Conditions of Sale between Buyer and Seller to include additional terms and conditions for custom product orders. The following terms and conditions apply to this quotation.

- 1. Definition of Custom Products.** Custom products include, but are not limited to, those in the following categories: oil and gas field support products, explosion proof or sound attenuated equipment, variations to standard product(s), generator sets and associated systems, and product(s) requiring special development, testing, or certification.
- 2. Conflict.** Any terms in the Standard Terms and Conditions of Sale which purport to modify or are in conflict with the terms of this Addendum are hereby deleted, and replaced with the terms in this Addendum.
- 3. Payments.** Unless otherwise specified in Seller's quotation, all custom product(s) for Buyers with approved credit require the Buyer's down payment of 50% of the total order selling price, as detailed in Seller's quotation, due at the same time as Seller's receipt of Buyer's purchase order. The remaining Buyer payment of 50% to the Seller is required prior to shipment of the completed product(s) to the Buyer. Depending upon the price, complexity, or production cycle of the product(s), Seller may instead require time-phased progress payments from the Buyer totaling the remaining 50% of the total selling price in lieu of the single 50% payment due prior to shipment. The overriding document defining the required payment schedule, however, will be Seller's quotation, or any supplemental agreement in writing signed by both the Buyer and Seller.
- 4. Inspection.** Buyer shall have the right to conduct an optional on-site inspection of the product prior to shipment or delivery at the Buyer's expense.
- 5. Product Change/Modification by Seller.** Seller has the right to change or modify designs or components including, but not limited to brand, model number, or similar, of the product(s) during the production cycle as long as the form, fit, function, and certification of the final product(s) is substantially similar to the original design and/or component selection. Seller will advise the Buyer of these changes in real time if they become necessary to implement.
- 6. Product Change/Modification by Buyer.** Buyer has the right to change or modify designs or components of the product(s) during the production cycle upon written acceptance of the changes by Seller. Buyer will be required to pay a change fee to the Seller to cover Seller's cost of changing the product(s) and depending upon the nature of the change(s), the originally quoted product pricing, performance, certification(s), and ship date(s) may also change.
- 7. Cancellation by Seller.** A Buyer's purchase order may be cancelled by the Seller at any time if (1) the Buyer fails to strictly comply with the terms governing the order, (2) the Buyer becomes insolvent or makes an assignment for the benefit of creditors, (3) a petition in bankruptcy or insolvency is filed by or against Buyer, (4) amounts due Seller by Buyer are unpaid or (5) The product's final destination violates export compliance regulations of the United States. In the event of cancellation of a purchase order by the Seller for any of these five stated reasons, the Buyer shall be obligated to pay to the Seller the price for all goods that can be completed and shipped within ten (10) days of the date of cancellation, all services performed to date, all special tooling for which commitments have been made by Seller, any custom option or service already purchased or committed to the project, and all of Seller's costs, expenses and a reasonable profit for work in process as of the date of cancellation.

- 8. Cancellation by Buyer.** A purchase order may be cancelled by the Buyer at any time. Buyer shall be obligated to pay to the Seller the price for all goods that can be completed and shipped within ten (10) days of the date of cancellation, all Services performed to date, all special tooling and components for which commitments have been made by Seller, any custom option or service already purchased or committed to the project, and all of the Seller's costs, expenses and reasonable profit for work in process as of the date of cancellation. Orders for custom products are subject to a cancellation fee. The Buyer shall also make cancellation payments if required by the applicable quotation or otherwise agreed to in writing and signed by both Buyer and Seller.
- 9. Special Packaging.** Unless otherwise specified in Clarke's quotation, prices do not include the cost for export or special packaging of product(s). If such packaging is desired, Buyer is responsible for payment for any extra costs as identified by the Seller.
- 10. Additional Engineering Hours at the Buyer's Request.** Beyond the engineering hours required for design and production support for product(s) included in the Seller's quote, the Seller offers the Buyer additional engineering hours in 1-day increments for \$1,500.00 per day.
- 11. Additional Engineering Hours for Buyer's Change Request.** A submittal drawing will be developed once a purchase order is placed. The lead time starts once the submittal drawing is signed by the customer. Up to 10 hours of engineering are included with the initial purchase order. Special requests including, but not limited to, personalization of drawings, specific comments or dimension changes will incur an engineering charge in 1-day increments for \$1,500 per day. Additionally, any change orders requested after submittal approval will incur a \$1,000 change fee and \$1,500 per day engineering fee for EACH occurrence.
- 12. Additional Travel Hours at the Buyer's Request.** Beyond any travel required for design and production support for product(s) included in the Seller's quote, the Seller offers the Buyer additional travel in 1-day increments for \$1,500.00 per travel day for each Seller representative, and the pass-through to the Buyer of the Seller's travel and expenses at cost.