

TERMS AND CONDITIONS

A. Shipment Terms

Flexaseal Engineered Seals and Systems, LLC, Williston, VT (“Flexaseal”)

Domestic Shipments	FOB shipping point
International Shipments	Ex Works Incoterms 2010

B. Payment Schedule (with approved credit)

Less than \$50,000	Net 30 Days
Greater than \$50,000	25% Due upon receipt of order
	40% Due upon receipt of Major Components
	35% Due upon Shipment of Equipment

Progressive payments. Net due upon receipt of invoice.

Late Fees: A late fee of 1½% per month shall be charged on all payments made after the due date.

C. Service/Commission Time

No Start-up services are included in the base price of the units.

D. Validity

This proposal is valid for thirty (30) days from date shown. Stock materials are subject to prior sale.

E. Miscellaneous

No taxes, duties, boxing, or freight charges are included in the base price. Cancellation charges are as set forth below. Orders are subject to acceptance by Flexaseal as evidenced by the earlier of written acceptance or shipment of the goods.

F. Other Terms and Conditions

Flexaseal is herein called “Seller”. The persons, firm, or entity to which the quotation or invoice accompanying these terms & conditions is made is herein called “Purchaser”. The terms hereof may not be changed or superseded by any documentation of Purchaser, including purchase orders, bills of sale or other terms or conditions contained in Purchaser’s documentation, all of such terms being hereby objected to by Seller, unless such changes are expressly agreed to in writing and signed by Seller’s authorized representative. Acceptance is expressly limited to the terms and conditions contained herein. All purchase orders are agreed to be accepted in the state of the shipping point.

Seller will not be liable for damages and no purchase orders may be terminated by Purchaser for any delay or default by Seller in performing its obligations if that delay or default is due to any act of God, act of any governmental authority or law, industrial dispute, fire, explosion, power failure, flood, pandemics, endemics, terrorism, war, or any other occurrence or cause beyond the reasonable control of Seller.

Execution of these terms and conditions authorizes Seller to obtain financial and other information for its evaluation of Purchaser's credit.

LIMITED WARRANTY AND LIMITATION OF LIABILITY- FLEXASEAL SYSTEMS PRODUCTS

Flexaseal warrants that new goods manufactured by Flexaseal (with the exception of "wear parts" or consumables all of which are not warranted) will be free from defects in material and workmanship (the "**Warranty**"). The Warranty shall be in effect for a period of the earlier of twelve (12) months from the date of installation or eighteen (18) months from the date of shipment from Flexaseal's facility (which date of shipment shall not be greater than thirty (30) days after receipt of notice that the goods are ready to ship) (the "**Warranty Period**").

Flexaseal shall, at its option and expense, either repair, replace, or refund amounts paid for any goods that fail to conform to the Warranty. In no case shall Flexaseal be obligated to remove the defective goods or install the replaced or repaired goods, and the end user shall be responsible for providing ready access to the goods and areas for warranty work, and all other associated costs, including, but not limited to, service costs, shipping fees, and expenses. Flexaseal shall have complete discretion as to the method or means of repair or replacement. The end user's failure to comply with Flexaseal's repair or replacement directions shall constitute a waiver of its rights and render all warranties void. Any goods repaired or replaced under the Warranty are warranted only for the balance of the Warranty Period on the goods that were repaired or replaced. The Warranty is conditioned on the end user giving written notice to Flexaseal of any goods that fail to meet the Warranty within ten (10) days of the date when any defects first become apparent. Flexaseal shall have no warranty obligations to the end user with respect to any goods or parts of a good that: (a) have been repaired by parties other than Flexaseal or without Flexaseal's written approval; (b) have been subject to misuse, misapplication, neglect, alteration, accident, or physical damage; (c) have been used in a manner contrary to Flexaseal's instructions for installation, operation and maintenance; (d) have been damaged from ordinary wear and tear, corrosion, or chemical attack; (e) have been damaged due to abnormal conditions, vibration, failure to properly prime, or operation without flow; (f) have been damaged due to a defective power supply or improper electrical protection; or (g) have been damaged resulting from the use of accessory Products not sold by Flexaseal or not approved by Flexaseal in connection with goods supplied by Flexaseal.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER EXPRESS, ORAL, OR IMPLIED WARRANTIES, GUARANTEES, CONDITIONS OR TERMS OF WHATEVER NATURE

RELATING TO THE GOODS PROVIDED HEREWITH, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED. END USER'S EXCLUSIVE REMEDY AND FLEXASEAL'S AGGREGATE LIABILITY FOR BREACH OF ANY OF THE FOREGOING WARRANTIES ARE LIMITED TO THE REPAIR, REPLACEMENT, RE-PERFORMANCE, OR REFUND.

IN NO EVENT SHALL FLEXASEAL'S LIABILITY ARISING OUT OF OR IN ANY WAY RELATED TO THE GOODS EXCEED THE AMOUNT PAID BY END USER UNDER THIS AGREEMENT. FLEXASEAL SHALL HAVE NO LIABILITY FOR LOSS OF PROFIT, LOSS OF ANTICIPATED SAVINGS OR REVENUE, LOSS OF INCOME, LOSS OF BUSINESS, LOSS OF PRODUCTION, LOSS OF OPPORTUNITY, LOSS OF USE, LOSS OF REPUTATION, BUSINESS INTERRUPTION, DOWNTIME, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, HOWSOEVER ARISING, WHETHER IN WARRANTY, CONTRACT, TORT, PRODUCT LIABILITY, STRICT LIABILITY, OR OTHERWISE, REGARDLESS OF WHETHER FLEXASEAL HAS BEEN APPRISED OF THE POSSIBILITY OF SUCH LOSSES IN ADVANCE.

This warranty and limitation of liability shall be governed and construed in accordance with the laws of the State of Delaware, USA. Sole and exclusive venue for any claim or controversy arising out of or in any way related to this warranty and limitation of liability shall be in a state court located in Chittenden County, Vermont, USA.

LIMITED WARRANTY AND LIMITATION OF LIABILITY- FLEXASEAL SEAL PRODUCTS

Flexaseal warrants that new goods manufactured by Flexaseal (with the exception of "wear parts" or consumables all of which are not warranted) will be free from defects in material and workmanship (the "**Warranty**"). The Warranty shall be in effect for a period of the earlier of three (3) months from the date of installation or six (6) months from the date of shipment from Flexaseal's facility (which date of shipment shall not be greater than thirty (30) days after receipt of notice that the goods are ready to ship) (the "**Warranty Period**").

Flexaseal shall, at its option and expense, either repair, replace, or refund amounts paid for any goods that fail to conform to the Warranty. In no case shall Flexaseal be obligated to remove the defective goods or install the replaced or repaired goods, and the end user shall be responsible for providing ready access to the goods and areas for warranty work, and all other associated costs, including, but not limited to, service costs, shipping fees, and expenses. Flexaseal shall have complete discretion as to the method or means of repair or replacement. The end user's failure to comply with Flexaseal's repair or replacement directions shall constitute a waiver of its rights and render all warranties void. Any goods repaired or replaced under the Warranty are warranted only for the balance of the Warranty Period on the goods that were repaired or replaced. The Warranty is conditioned on the end user giving written notice to Flexaseal of any goods that fail to meet the Warranty within ten (10) days of the date when any defects first become apparent. Flexaseal shall have no warranty obligations to the end user with respect to any goods or parts of a good that: (a) have been repaired by parties other than Flexaseal or without Flexaseal's written

approval; (b) have been subject to misuse, misapplication, neglect, alteration, accident, or physical damage; (c) have been used in a manner contrary to Flexaseal's instructions for installation, operation and maintenance; (d) have been damaged from ordinary wear and tear, corrosion, or chemical attack; (e) have been damaged due to abnormal conditions, vibration, failure to properly prime, or operation without flow; (f) have been damaged due to a defective power supply or improper electrical protection; or (g) have been damaged resulting from the use of accessory Products not sold by Flexaseal or not approved by Flexaseal in connection with goods supplied by Flexaseal.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER EXPRESS, ORAL, OR IMPLIED WARRANTIES, GUARANTEES, CONDITIONS OR TERMS OF WHATEVER NATURE RELATING TO THE GOODS PROVIDED HEREWITH, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED. END USER'S EXCLUSIVE REMEDY AND FLEXASEAL'S AGGREGATE LIABILITY FOR BREACH OF ANY OF THE FOREGOING WARRANTIES ARE LIMITED TO THE REPAIR, REPLACEMENT, RE-PERFORMANCE, OR REFUND.

IN NO EVENT SHALL FLEXASEAL'S LIABILITY ARISING OUT OF OR IN ANY WAY RELATED TO THE GOODS EXCEED THE AMOUNT PAID BY END USER UNDER THIS AGREEMENT. FLEXASEAL SHALL HAVE NO LIABILITY FOR LOSS OF PROFIT, LOSS OF ANTICIPATED SAVINGS OR REVENUE, LOSS OF INCOME, LOSS OF BUSINESS, LOSS OF PRODUCTION, LOSS OF OPPORTUNITY, LOSS OF USE, LOSS OF REPUTATION, BUSINESS INTERRUPTION, DOWNTIME, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, HOWSOEVER ARISING, WHETHER IN WARRANTY, CONTRACT, TORT, PRODUCT LIABILITY, STRICT LIABILITY, OR OTHERWISE, REGARDLESS OF WHETHER FLEXASEAL HAS BEEN APPRISED OF THE POSSIBILITY OF SUCH LOSSES IN ADVANCE.

This warranty and limitation of liability shall be governed and construed in accordance with the laws of the State of Delaware, USA. Sole and exclusive venue for any claim or controversy arising out of or in any way related to this warranty and limitation of liability shall be in a state court located in Chittenden County, Vermont, USA.

LIMITATION OF LIABILITY, INDEMNITY, REMEDIES AND GOVERNING LAW

Seller is not liable for and Purchaser hereby waives any right to bring any cause of action it has or may have against Seller for any delay damages or any consequential, incidental, indirect, exemplary, punitive or special damages arising out of (i) any breach of this agreement (or any sales transaction between Purchaser and Seller) or (ii) any breach of the aforesaid warranty or (iii) under any indemnity, strict liability, negligence or other legal or equitable theory. Purchaser also waives any claims for any damages to any property or injury or death to any person arising out of its purchase, the use, operation or maintenance of the equipment, parts and/or accessories sold hereunder. Seller will not be liable for any labor subcontracted or performed by Purchaser for installation, start-up, removal, and packaging for return to Seller's factory or for preparation work for field repair or replacement. Seller's obligations under the warranty and under this agreement

(or in connection with any sales transaction between Purchaser and Seller) or under any indemnity, strict liability, negligence or other legal or equitable liability theory are expressly conditioned upon timely receipt by Seller of all payments in strict accordance with payment terms as stated on the front of any invoice to Purchaser, time being of the essence with regard to such payments. During the time when Purchaser is delinquent in any of its payments, Seller shall have no obligation under this agreement and this warranty and the expiration date of the warranty shall not be extended upon Seller’s receipt of the overdue amount.

SELLER’S AGGREGATE LIABILITY UNDER EACH PURCHASE ORDER SHALL BE LIMITED TO THE VALUE OF THE GOODS OR SERVICES PURCHASED BY PURCHASER UNDER SUCH PURCHASE ORDER.

Seller and Purchaser each agrees to defend, indemnify, and hold harmless the other from any and all claims or controversies to the proportional extent resulting from the negligence or other legal fault of said party.

Purchaser may not assign, delegate, or otherwise transfer its rights or obligations under any agreement with Seller without Seller’s prior written consent. These terms and conditions shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

These terms and conditions, and any sales transaction between Purchaser and Seller, shall be governed and construed in accordance with the laws of the State of Delaware. Each party unconditionally submits to the exclusive jurisdiction and venue of the federal and state courts situated in Wilmington, Delaware and waives any defense it may have to such jurisdiction and venue.

ORDER CANCELLATION

Unless otherwise agreed, the below cancellation charges, as a % of the total PO value, will be applicable to all orders in the event of a cancellation of an order by Purchaser:

Lead time (Weeks)	Elapsed Time: Date of Order to Date of Cancellation (Weeks)						
	0-2	3-4	5-6	7-8	9-10	11-12	13+
Up to 5	40%	75%	100%				
6-7	35%	50%	100%	100%			
8-9	30%	45%	75%	100%	100%		
10-11	25%	40%	50%	75%	100%	100%	
12-13	15%	25%	40%	75%	85%	100%	100%
13+	10%	20%	25%	50%	75%	75%	100%



TERMS AND CONDITIONS ACKNOWLEDGEMENT

- i. Hereby authorizes Flexaseal Engineered Seals and Systems, LLC (FAS) to make such inquiries as FAS considers to be necessary to obtain credit information and authorizes our bank(s) of record to release credit information regarding our account(s). It is understood that a consumer credit report prepared by a consumer reporting agency may be obtained. FAS may obtain information on checking/savings accounts, credit obligations, and all other credit matters which may be required in connection with the application for credit. Notwithstanding any contrary provision of law, FAS may bring legal action against you, the customer, for breaching the terms of this agreement. All costs associated with enforcement of these terms will be the responsibility of you, the customer. Should any provision of this agreement be invalid or unenforceable, the validity or enforceability of any of the remaining terms shall not be affected.

- ii. Hereby represents and warrants that all information supplied by or on behalf of the entity identified above to FAS is true and correct and does not omit any information whose omission would cause the information supplied to be materially misleading or incomplete.

- iii. Hereby acknowledges and agrees that delivery of the executed signature page to this New Customer Information and Credit Application Agreement by electronic means shall have the same legal force and effect as physical delivery of the paper document bearing an original signature.

I acknowledge that I have read, understand, and agree to the Terms of Use.

Printed Name: _____

Signature: _____

Date: _____