

STANDARD CONDITIONS OF SALE

Imo Industries (hereinafter referred to as "Imo Industries") proposes to furnish the Purchaser the products (hereinafter terms "Products"), subject to the following terms and conditions:

1. **DELIVERY:** Unless otherwise agreed, Imo Industries will furnish its Products f.o.b. its factory. Delivery to the transporting carrier shall constitute delivery to the purchaser, and transfer of title subject to the provision of Paragraph 2, below.

If shipment or any other act or condition affecting payment shall be delayed on account of Purchaser, payment shall become due when Purchaser is notified that Imo Industries is ready to ship, and the product shall thereafter be held at Purchaser's risk and expense. If partial shipments are made, proportionate payments shall become due and payable on the partial shipments.

The specified shipment is subject to any delay on the part of the Purchaser in supplying Imo Industries with necessary data, or approved drawings as may be required, or any changes therein at the Purchaser's instance, and to delays due to causes beyond Imo Industries' reasonable control, including, but not limited to, acts of God, or acts of Purchaser, fires, floods, strikes, accidents, wrecks, delays in transportation, embargoes, car shortages, acts of civil or military authority, compliance with priority orders or preferred ratings issued by the U.S. Government, delay by supplier of material, shortages of material, unusually severe weather, or any inability to obtain necessary labor, materials or manufacturing facilities due to any such causes; and in the event of delay due to any such cause, the time specified for shipment or completion shall be extended during the continuation of such delay and a reasonable time thereafter to allow for shipment or completion. If changes in specifications or drawings are made at the instance of the Purchaser, and accepted by Imo Industries, Imo Industries shall be entitled to an equitable adjustment in the price, delivery date, or both.

Delivery dates are approximate. Delivery dates and prices are based on prompt receipt by Imo Industries of order and all information necessary to permit Imo Industries to proceed with work immediately and without interruption; satisfactory assurance of compliance with the terms of payment agreed upon; and if applicable such evidence as Imo Industries may request that any required export or import license has been issued. Prices will be subject to adjustment in accordance with the provisions of the annexed price adjustment clause, if any.

2. **TITLE:** Without relieving the Purchaser from obligation to make payment as provided for and without reference to the form of invoice that may be used by Imo Industries, it is agreed that title, to the extent of a security interest in the Products furnished, is reserved in Imo Industries until the purchase price (including any extensions of payment whether evidenced by note or otherwise) shall have been fully paid in cash, and the Products shall remain personal property whatever may be the mode of its attachment to realty or other property, until fully paid for in cash; and the Purchaser agrees to perform all acts which may be necessary to perfect and assure retention of title in Imo Industries as aforesaid. In case of failure by the Purchaser to make any payment when due, it is expressly understood that it shall be optional with Imo Industries to take exclusive possession of the Products wherever found and remove same without legal process, all at the expense of the Purchaser. In the event of default by Purchaser, the amount of damage to Imo Industries being substantial and difficult or impossible to ascertain, it is hereby agreed that any payments which may have been made to Imo Industries shall be retained by it as liquidated damages without prejudice to its right of recovery for further damage it may suffer from any cause arising out of such default.

3. **STANDARD WARRANTY:** Imo Industries warrants that the Products will be free from defects in title, and so far as of its own manufacture, will conform, in the manner herein provided, to the applicable specifications which are made a part hereof, and will be free from defects in material and workmanship, and should any part of it be found, when properly installed, maintained and used under specified service conditions, within one year after date of notification of completion at Imo Industries' plant or shipment by Imo Industries, whichever is the earlier, to have been defective or nonconforming with the specifications, Imo Industries will repair or replace said part f.o.b. its factory, provided the original part is returned to its factory transportation prepaid and Imo Industries inspection reveals it to have been defective or nonconforming within the terms of this warranty. No device or part shall be returned without giving prompt notice of nonconformance or defect to Imo Industries and obtaining its prior written authorization. Imo Industries shall in no event be held liable for damage or delay caused by nonconformance or a defect in material or workmanship, and no allowance will be made for repairs or alterations unless made with its written approval. Purchaser, or any user claiming through Purchaser, assumes all liability for the consequences of the use of misuse thereof by itself, or its employees, or by other.

Equipment and accessories not of our manufacture are warranted to only the extent of the original manufacturer. Imo Industries shall not be liable for damage of any kind resulting from erosive, corrosive, or other harmful action of any gases, liquids, or any other substance handled by the Products. The foregoing is in lieu of all other warranties by, and obligations or liabilities of, Imo Industries, or its representatives, whether express, implied or statutory; and **SINCE THE PRODUCTS ARE THE SUBJECT OF SPECIFICATIONS, AS AFORESAID, NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR THE PURPOSE IS APPLICABLE.**

Imo Industries assumes no responsibility for damages due to deterioration during periods of storage by the Purchaser prior to installation and operation. If provided for in the proposal, for an extra charge, Imo will, if notified prior to shipment that the Equipment is to be stored, apply preservatives to minimize the deterioration.

4. **INSURANCE:** Fire and extended coverage insurance in an amount sufficient to protect Imo Industries' interest in the Products is to be obtained from and maintained with an insurer satisfactory to Imo Industries by and at the expense of the Purchaser from the time of delivery until the Products have been fully paid for in cash. The Purchaser shall assume all losses resulting from any cause that may not be covered by insurance.

5. **TAXES:** The Purchaser shall pay to Imo Industries in addition to the purchase price, the amount of any excise, sales, privilege, use or any other local, state or federal tax which is payable by Imo Industries because of the acceptance of any order, or the sale, delivery, installation, or use of the Products covered hereby.

6. **SPECIFICATIONS:** Any Imo Industries' specifications referred to herein, or annexed hereto, are a standard form covering products substantially identical in type and character to that purchased but there may be variations therefrom in the details of design and construction of any particular Product. The provisions in the specifications are descriptive and are not to be construed as warranties. Imo Industries reserves the right to make such changes in details of design and construction as shall, in its judgment, constitute an improvement over such former practice as may be shown or described in the specifications. Imo Industries does not supply detailed or shop working drawings of its Products.

7. **PATENTS:** Imo Industries shall indemnify the Purchaser for any liability the Purchaser may incur because of claims of infringement of United states apparatus patents by the Products manufactured by Imo Industries. The Purchaser shall indemnify Imo Industries for any liability Imo Industries may incur because of claims of infringement of United States process patents in the use of the Products furnished hereunder.

8. **CANCELLATION:** Should the order be terminated for any just cause, the Purchaser shall pay Imo Industries for all costs and expenses incurred and commitments made in connection with the performance of the order, plus a reasonable profit thereon.

9. **EMERGENCIES:** For contracts or orders with a price of \$200,000 or more and/or for development contracts of a special nature, where Imo Industries' performance or completion of such contracts or orders is delayed or suspended for a protracted period, directly or indirectly, as the result of war, national emergency, federal or state statute of government rules or regulation, priority controls, defense efforts, or any like cause (as distinguished from the normal delays in manufacturing caused by factors beyond the control of the Manufacturer, such as fires, traffic embargoes, etc.) either Imo Industries or the Purchaser, at any time after the end of 180 days following the start of such delay or suspension, may terminate the contract or order upon 10 days' written notice to the other and upon the giving of such notice the Purchaser shall pay Imo Industries for all costs and expenses strikes, incurred and commitments made in connection with performance to the date of such suspension, plus a reasonable profit thereon. Title to all material paid for by Purchaser shall thereupon vest in the Purchaser, and shall thereafter be held at Purchaser's risk and expense. In the event that the contract or order has not been so terminated, Imo Industries will, promptly after the cessation of the cause of such delay or suspension, notify the Purchaser of the revised shipping schedule and proceed with performance in accordance therewith.

10. **LIMITS OF LIABILITY:** The remedies, guaranties, and warranties provided herein are in lieu of any remedies, guaranties, indemnities, conditions or liabilities, either express or implied arising by law or otherwise. Upon the expiration of the warranty period expressly set forth herein, all liability for claims not asserted theretofore against Imo Industries shall terminate.

The liability of Imo Industries in respect of all damages, losses, costs or expenses whether suffered or incurred by Purchaser or any third party arising in any manner, incident or related to this contract or the performance hereunder shall be limited in the aggregate to the actual price paid by Purchaser to Imo Industries.

Notwithstanding anything to the contrary, Imo Industries shall not be liable to Purchaser or Purchaser's customers or any third party for special, punitive, incidental or consequential damages of any kind or character, including without limitation the loss of use of the Product or associated equipment, damage to associated equipment, loss of profit or revenue, cost of replacement power, downtime costs or claims of Purchaser's customers or others for any such damages which might arise under this contract or otherwise, regardless of whether such damages are based upon contract, tort, strict liability in tort, negligence or indemnity.

11. **LAWS AND REGULATIONS:** The Products to be produced by Imo Industries and delivered hereunder will be produced in compliance with the Fair Labor Standards Act of 1938 as amended, when applicable. Imo Industries will comply with federal, state and local laws, orders and regulations applicable to it as of the date of its quotation. Imo Industries shall be responsible for compliance with the requirements and standards of OSHA, or any similar law, only to the extent that they apply to the Product itself and are sufficiently specifically identified in the order to Imo Industries' satisfaction and accepted by it in writing. Price and delivery shall be subject to adjustment to compensate for compliance by Imo Industries with any other laws, orders, regulations or requirements.

12. **ATOMIC ENERGY USE:** The Purchaser represents that the Products being supplied hereunder are to be used for a purpose other than in, or in any way related to, the creation, handling, or use of atomic energy or any activity associated therewith; and Imo Industries shall not be responsible to the Purchaser or any third party should the Products be used otherwise than represented, in which event the Purchaser shall indemnify and hold Imo Industries free and harmless of any and all costs and damages. If, upon notice to Imo Industries, the Products are to be used for the purpose of, or any way related to, the creation, handling, or use of atomic energy, or any activity associated therewith, Purchaser agrees to comply with, and be bound by, all the terms, provisions and conditions of Imo Industries applicable Nuclear Indemnification Clause, a copy of which will be supplied upon request.

13. **GENERAL:** All of the above provisions, together with those set forth in the Imo Industries form to which this is annexed, and such others as may be accepted by Imo Industries in writing, all of which are accepted by Purchaser and supersede Purchaser's order form, if any, shall be and constitute the entire agreement for the sale of the Products. Any terms and conditions in any writing pertaining to the sale of the Products irrespective of its wording or of when received by Imo Industries which are inconsistent with, or add to the terms and conditions hereof, will not be acceptable or become a part of the contract without Imo Industries' written consent signed by its duly authorized representative. Commencement of performance or shipping shall not constitute acceptance of any such inconsistent or added terms and conditions. Any representation, promise, course of dealing, or trade usage, not contained or referenced herein, will not be binding on Imo Industries. No modification, amendment, rescission, waiver, or other change shall be binding on Imo Industries unless agreed to in writing by Imo Industries.

"The rights and obligations of the parties shall be governed in all respects by the laws of the State of New Jersey, USA."

FOR CONTRACTS ON PRODUCTS TO BE EXPORTED FROM THE UNITED STATES THE FOLLOWING ADDITIONAL CLAUSES APPLY:

14. **EXPORT SHIPMENT:** If Imo Industries agrees to make the export shipment, all fees and expenses including, but not limited to, those covering preparation of consular invoices, storages, marine insurance and war risk insurance, forwarders' fees, inland freight, and lighterage, shall be payable by the Purchaser upon submission of invoices therefore. Unless otherwise instructed by the Purchaser, Imo Industries will prepare consular documents according to its best judgment but without liability for fines or other charges due to error or incorrect declarations.

15. **GOVERNMENT AUTHORIZATIONS:** The Purchaser shall be responsible for obtaining any required authorizations such as Export License, Import License or Exchange Permit except that if Imo Industries is to make the export shipment, it will apply for any required Export License. Whoever is the proper party under the applicable regulations shall make prompt application for any preference rating or other U.S.A. Government authorization which may be required to permit the manufacture of the products. The parties shall assist each other in every manner reasonably possible in securing such authorizations as may be required. Imo Industries shall not be responsible if any authorization is delayed, denied, revoked, restricted or not renewed and the Purchaser shall not be relieved of its obligation to accept delivery of any pay to Imo Industries for the Products.

16. **PAYMENTS:** Terms of payment shall provide for progressive payments during production with the balance payable upon delivery or completion of manufacture or, alternatively, shall provide for 100% cash payment in the U.S.A. currency upon presentation by Imo Industries of its invoices and evidence of delivery of each shipment hereunder, at a paying agency in New York acceptable to Imo Industries. If the f.o.b. factory delivery of products or any part thereof is delayed by the causes set forth above, payments which are related to delivery shall relate to completion of manufacture and the documents to be presented by Imo Industries for payment shall be its invoices and its certification that the manufacture of such products or parts has been completed. At Imo Industries' request, payments shall be made through the medium of an irrevocable Letter of Credit established by the Purchaser at the time of placing the order, in favor of and acceptable to Imo Industries and confirmed by a bank satisfactory to Imo Industries. Such Letter of Credit shall provide for payment for partial shipments and of any cancellation charges.

17. **INSTALLATION:** The Products shall be installed by and at the expense of the Purchaser unless otherwise expressly agreed. Upon request, Imo Industries will provide a competent technical representative to supply technical advice and assistance in the setting up and/or starting of the Equipment. The Purchaser shall pay Imo Industries for the service of said technical representative at stipulated rates plus the traveling and other proper expenses. The technical representatives shall be considered an employee of Imo Industries, but Imo Industries shall not be liable for injury to persons or damage to property occurring in the course, or as a result of the technical representative's presence upon the premises of the Purchaser. Imo Industries accepts no responsibility for material and equipment for the acts of personnel furnished by the Purchaser, nor has it any responsibility for the performance of Equipment not set up and started under the technical advice and assistance of its technical representative unless deficient performance is caused solely by inherent defects in material or workmanship.

ALL ORDERS ARE SUBJECT TO ACCEPTANCE BY IMO INDUSTRIES, AT ITS HOME OFFICE, AND NO ORDER SHALL BE BINDING UPON IMO INDUSTRIES UNTIL SO ACCEPTED.