

## PURCHASE ORDER TERMS AND CONDITIONS

1. **PRICING DISCLOSURE RESTRICTION** – In no event shall Seller disclose Purchaser's OEM or national account pricing information to any party at any time for any reason except specifically to employees of Patterson Pump Company (USA) (...@pattersonpumps.com) or Patterson Ireland email addresses (...@ie.pattersonpumps.com). Disclosure of Purchaser's pricing to any party other than Patterson USA or Patterson Ireland may result in termination of Seller's relationship with Patterson.

2. **ACCOUNT LIMITATION** – Seller shall not accept purchase orders from parties other than Patterson Pump Company (USA) or Patterson Ireland under the terms or pricing structure of Purchaser's OEM or national account.

3. **EXTRA CHARGES**—No charges of any kind, including charges for boxing or cartage, will be allowed unless specifically agreed to by Purchaser in writing. Price is to cover net weight of materials, unless otherwise agreed.

4. **DELIVERIES, QUANTITIES AND SPECIFICATIONS** — The obligation of the Seller to meet the delivery dates, specifications and quantities, as set forth herein, is the essence of this order.

5. **DELAY IN DELIVERY**—Seller will not be liable for damages, or delay in delivery due to causes beyond its reasonable control. If Seller, however, for any reason does not exactly comply with the quantity and delivery schedule here, Purchaser at its option may either approve a revised delivery schedule or may terminate the order without liability to Seller on account thereof.

6. **WARRANTIES**—All goods, material, and work covered by this purchase order will conform to the specification, drawings, samples or other description furnished or specified by Purchase, and will be merchantable, of good material and workmanship, and free from defect. If any of the goods are found at any time to be defective in material or workmanship, or in any respect not in conformity with the specification heretofore furnished to Seller for the material covered by the order with the other requirements of the order, Purchase, in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject and return such goods at Seller's expense, such goods not to be replaced without suitable written authorization or otherwise, shall have the right to reject and return such goods at Sellers expense, such goods not to be replaced without suitable written authorization from Purchaser. Any shipment may be accepted by the Purchase in part and rejected in part. Goods shall in no event be deemed accepted by the Purchase until used, processed, stored, help or commingled by the Purchaser so that the same cannot be returned to the Seller in the same condition in which received by the Purchaser, Payment by Purchaser, Payment by Purchase shall not be deemed an acceptance of the goods.

7. **PURCHASER'S PROPERTY**—unless otherwise agreed in writing, all tools, equipment or material of every description

furnished to Seller by Purchaser or specifically paid for by Purchaser, and any replacement thereof, of any material affixed or attached thereto, shall be and remain the personal property of Purchaser. Such property shall be plainly marked or otherwise adequately identified by Seller as "Property of Patterson Pump Company" and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property, for Purchaser's property and shall not sure such property except in filling Purchaser's orders. Such property while in Seller's custody or control shall be held at Seller's risk, shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Purchaser and shall be subject to removal at Purchaser's written request in which event Seller shall prepare such property for shipment and shall redeliver to Purchaser in the same condition as originally received by Seller, reasonable wear and tear excepted.

8. **CHANGES**—Purchaser may at any time and from time to time make changes in (1) the drawings, designs, or specifications applicable to the material or services covered by this purchaser order, (2) the method of shipment or packing, and (3) the place or time of delivery, including temporary suspension of shipments. If any such changes affect the time for performance, the cost of manufacturing such supplies, or the cost of furnishing such services, Purchaser shall make an equitable adjustment in the purchase price or the delivery schedule or both. No additional charge shall be made as a result of a change unless such change was authorized in writing by the Purchaser and such additional charge is requested by Seller in writing within ten (10) days after receipt from Purchaser of said authorization for such change.

9. **MODIFICATION OF PURCHASE ORDER AND NON-ASSIGNMENT**—The purchaser order, together with any written instructions issued hereunder, contains, the complete and final agreement between Purchaser and Seller and no agreement or other understating in any way purporting to modify the terms and conditions thereof shall be binding upon Purchaser unless made in wiring and signed by the Purchase's authorize representative. Seller may assign moneys due and to become due under the purchase order, provided, however, be entitled to assert against Seller, whether acquired prior or subsequent to such assignment. Purchaser shall be entitled at all times to set off any amount owing from Seller to Purchaser or any of its affiliated companies against any amount due or owing to Seller with respect to this order.

10. **COMPLIANCE WITH LAWS**—Seller shall comply with all applicable State, Federal and local laws, rules and regulations.

11. **FAIR LABOR STANDARDS ACT**—Seller guarantees that it will comply with the requirements of the Fair Labor Standards Act of 1938, as amended, in producing the goods and supplies to be furnished hereunder. All invoice shall

contain the following assurance: Seller represents that is has complied with the Fair Labor Standards Act of 19385, as amended, in producing the goods supplies covered by this invoice.

12. **PATENT**—The seller shall indemnify the Purchase against liability resulting from any claim or infringement against Purchaser or anyone else of any U.S. patent right which might in any manner arise in connection with the work done or material furnished by the Seller. In making this Purchase the Purchaser does not recognize the validity of any patent. Any updated knowledge or information concerning Seller's products, methods or manufacturing processes with Seller may disclose to Purchaser incident to the manufacture of goods covered by this order shall unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration for this order, and Seller agrees not to assert any claim against Purchaser by reason of Purchaser's use or alleged use thereof.

13. **TERMINATION**—In the event of any proceeding by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a Receiver or Trustee or an assignee for the benefit of creditors, of the property of either party, the other party shall be entitled to cancel the contract resulting from the acceptance of this purchaser order forthwith. Purchaser reserves the right to cancel all or any part of the undelivered portion of this order in the event of any default by the Seller.

14. **GENERAL**—This purchase order shall be governed by the laws of the State of Georgia.

15. **INSURANCE**—If this order covers the performance of labor for Purchaser, Seller, agrees to indemnify and protect Purchaser against all liabilities, claims or demands for injuries or damages to any person or property growing out of the performance of this contract. Seller further agrees to furnish insurance carrier's certificate showing that Seller has adequate Workmen's Compensation, Public Liability, and Property Damage Insurance coverage. Said certificate must set forth the amount or coverage number of policy and date of expiration. If Seller is a self-insure, the certificate of the Department of Labor and Industry of the state in which said labor is to be performed must be furnished by such Department directly to Purchaser.

16. **REMEDIES**—The remedies herein set forth shall be cumulative and additional to any other or further remedies provided at law or in equity. No failure to insist upon strict compliance with the terms of this contract shall constitute a waiver, and no waiver of a breach of any provision of this contract shall constitute a waiver of any other breach, or of such provision.

17. The seller shall be bound to the Purchaser by the terms of this Agreement and of the contract Documents, Plans and Specifications, referenced hereon and/or attached hereto between the Purchaser and his customer, and shall assume towards the Purchaser all the obligations and

responsibilities which the Purchaser, by those documents, assumes toward his customer. In the event there is a conflict between those documents and this Agreement, this Agreement shall govern.

18. By acceptance of this order, Seller represents to the Patterson Pump Company that it is in compliance with the requirements set forth in Executive Order 11246 of September 24, 1965, Executive Order 11375 of October 13, 1967, and Chapter 60 of Title 41 of the code of Federal Regulations as applies to Equal Employment Opportunity. Seller further represents that it does not maintain any segregated facilities at any location on the basis of race, creed, color, sex or national origin, and that it takes affirmative action in recruitment and employment practices.

19. Subcontractor/Supplier agrees to abide by the provisions of the following related to equal employment opportunity, to the extent applicable, which are incorporated herein by reference: 41 C.F.R. §§ 60-1.4(a), 60-300.5(a), 60-741.5(a), 61-300.10, Executive Orders 11246, 13465, and 13672. **To the extent applicable, this contractor and subcontractor/supplier shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a), 60-741.5(a), and 61-300.10. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors/suppliers take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.**

20. Executive Order 13495 contains required contract clause relative to "Nondisplacement of Qualified Workers" and has been incorporated herein by reference.

21. FAR 52.222-40, Executive Order 13496 contains required contract clause regarding notice of employee rights under the Federal labor laws including the National Labor Relations Act and has been incorporated herein by reference to 29 C.F.R. Part 471, Appendix A to Subpart A.

22. FAR 52.222-54, Employment Eligibility Verification, contains required contract clause regarding use of E-Verify on new hires and employees assigned to the contract and has been incorporated herein by reference.

23. Executive Order 13658 contains required contract clause regarding minimum wage requirements and has been incorporated herein by reference to 29 C.F.R. Part 10, Appendix A.

24. Please be advised that, to the extent applicable, your company is required to comply with these provisions.

## NOTICE TO SUBCONTRACTOR, VENDOR, OR SUPPLIER OF EEO/AA POLICY

Dear Sir or Madam:

Due to Patterson Pump Company's status as a federal contractor or subcontractor, we are required to notify those entities that provide supplies and/or services that are necessary to the performance of our government contracts of our commitment to equal employment opportunity and affirmative action. Our company is bound by the terms of Executive Order 11246, Section 503 of the Rehabilitation Act, and the Vietnam Era Veterans' Readjustment Assistance Act. Pursuant to these laws and their implementing regulations, we are committed to take affirmative action to employ and advance in employment, and we shall not discriminate against, females, minorities, individuals with a disability, or protected veterans. Our Policy Statement in this regard is attached.

If your organization provides supplies and/or services that are necessary for the performance of our government contracts, then your organization may be similarly covered by these laws if other applicable requirements are met. If your organization is covered by these laws, we request that you take appropriate action to ensure compliance. Please contact me if you have any questions.

Sincerely,

Charles Craig  
Human Resources Manager

June 1, 2015 - EEO/AA: Females/Minorities/Disabled/Vets