

SOHRE TURBOMACHINERY®
TERMS AND CONDITIONS OF SALE

1. **SCOPE.** These Terms and Conditions ("Terms") shall apply to all SOHRE quotations, offers, and sales of products and/or services, except to the extent that these Terms conflict with a written contract, sales agreement or distributor agreement signed by both SOHRE and Buyer. SOHRE quotations, offers, and sales are expressly conditioned upon Buyer's acceptance of these Terms, which acceptance may be express or implied. SOHRE expressly rejects any Buyer terms and conditions, including but not limited to any Buyer terms and conditions which have been or may in the future be included as part of any purchase order, procurement document, or other communication from Buyer. SOHRE's failure to object to provisions contained in any communication from Buyer shall not be deemed to waive any provisions herein, or to accept any different terms and conditions communicated by Buyer. These Terms apply in lieu of any course of dealing between the parties or usage of trade in the industry.
2. **PRICE, TAXES AND QUOTATIONS.** Price proposals by SOHRE for products and/or services are valid for 30 days from issuance, unless otherwise provided by SOHRE in writing. Except where specifically indicated in SOHRE's written price proposal, all prices are exclusive of applicable taxes, including but not limited to revenue or excise taxes, value added taxes, import duties (including brokerage fees) or other taxes applicable to the manufacture or sale of any product. All applicable taxes shall be the responsibility of and paid by Buyer unless Buyer provides a proper tax exemption certificate. Any amounts paid at any time by SOHRE that are the responsibility of Buyer, such as export license fees, merchant service, banking, wire transfer or other electronic payment fees, and currency conversion fees shall be invoiced to Buyer and shall be reimbursed by Buyer to SOHRE.
3. **TIME OF DELIVERY.** SOHRE reserves the right to ship product in advance of any confirmed Shipping Date. Time of delivery by SOHRE is not of the essence.
4. **PAYMENT TERMS.** Payment terms shall be net thirty (30) days from the date of invoice, except where specifically listed in an invoice. If amounts are not paid when due, Buyer agrees to pay interest on any unpaid balance at a rate of four percent (4.0 %) per month, or the maximum rate permitted by law, whichever is less. All payments are to be in United States dollars. Buyer is responsible for payment of all fees and surcharges associated with electronic payment and transfer of funds, including, specifically, but without limitation banking and wiring fees, currency conversion fees, and merchant service fees (collectively, "Transfer Fees"). Buyer shall pay SOHRE any additional amounts necessary to ensure that the net amount SOHRE receives after deduction or payment of Transfer Fees equals the amount SOHRE would have received if no Transfer Fees had been paid or deducted. Buyer

agrees to pay SOHRE's reasonable costs to collect delinquent accounts, including but not limited to attorney fees and costs of legal action.

5. NON-CONFORMING DELIVERY AND RISK OF LOSS.

(a) All U.S. sales and deliveries are FOB origin; International sales and deliveries are Incoterms 2010 EX-WORKS Risk of loss and title shall pass to Buyer as soon as the products have been placed with a transport agent. SOHRE shall be entitled to retain a security interest in the products until Buyer's final payment to SOHRE.

(b) Buyer shall notify SOHRE in writing of any visible defects, quantity shortages or incorrect product shipments, within seven (7) days of receipt of products or services. Failure to so notify SOHRE within seven (7) days shall constitute acceptance and be deemed an unqualified waiver by Buyer of any rights to reject or return products or services on the basis of visible defects, shortages or incorrect shipments.

6. ORDER CANCELLATION.

(a) Buyer's Cancellation for Convenience: Buyer may cancel an order for convenience on the following terms:

(i) For standard SOHRE products, Buyer may cancel delivery without penalty if the cancellation is more than twenty-four (24) hours from the confirmed Shipping Date. Should Buyer cancel delivery upon less than twenty-four (24) hours' notice from the confirmed Shipping Date or return product after receipt, Buyer shall pay to SOHRE all return shipping costs (including insurance, crating, licenses and taxes) plus a restocking fee equal to fifteen (15%) of the order price.

(ii) For services, nonstandard parts, custom products, or standard parts with minimum usage, Buyer may cancel an order by providing written notice to SOHRE more than ninety (90) days in advance of the Confirmed Shipping Date, except that (1) Buyer shall accept delivery and pay SOHRE the contract price for all products and services completed at the time of such cancellation; (2) for products which are in the work-in-process inventory and services which SOHRE has not completed at the time of cancellation, the Buyer shall pay SOHRE an amount equal to the percentage complete multiplied by the contract prices; and (3) Buyer shall pay promptly to SOHRE the costs of settling and paying claims relating to termination of the work of SOHRE's subcontractors and vendors, as well as accounting, legal, and clerical costs relating to the cancellation. Buyer may not return nonstandard parts, custom products or standard parts with minimum usage.

(b) Buyer's Cancellation Upon SOHRE's Default: If SOHRE does not deliver products or services by an order's Confirmed Shipping Date; Buyer provides written notice with at least sixty (60) days for SOHRE to cure; and, after such cure period, SOHRE is unable to complete delivery, then Buyer may cancel the order in whole or in part. Under no circumstances shall any delay caused by a Force Majeure or a delay in receiving a necessary approval from any government entity for shipment or receipt of product or services give rise to a default on the part of SOHRE, or to Buyer's right to cancel an order in whole or in part. Notwithstanding any termination by Buyer for

SOHRE's default, Buyer shall accept and pay SOHRE the contract price for all conforming products and services delivered by SOHRE prior to such termination.

(c) SOHRE's Cancellation: SOHRE shall have the right to cancel any order in whole or in part, without notice to Buyer, in the event that Buyer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, or otherwise in SOHRE's judgment becomes unable to meet its financial obligations in the normal course of business. Nothing in this Agreement shall be construed to limit any right or remedy of SOHRE at law or in equity. All rights and remedies of SOHRE under this Agreement and at law and in equity are cumulative and not mutually exclusive, and the exercise of one shall not be deemed waiver of the right to exercise any other.

7. **LIMITED WARRANTY.** Except as specified below or otherwise agreed in writing, products sold hereunder shall be free from defects in materials and workmanship and shall conform to SOHRE's published specifications or other specifications accepted in writing by SOHRE for a period of two (2) years from the date of shipment of the products. The foregoing warranty does not apply and SOHRE will not be responsible for any loss, damage, or other liabilities arising from (a) damage or catastrophic loss to facilities, equipment, or other property or death or injury to any person, from failure to follow SOHRE's warnings or instructions relating to product installation, operation, maintenance or repair, (b) damage caused by abuse, misuse, neglect, accidental, intentional or deliberate damage to the product, or force majeure; (c) a product or part that has been repaired or modified by persons other than SOHRE authorized personnel or without the written permission of SOHRE, (d) any part or component used is not an approved-SOHRE replacement part. SOHRE shall make the final determination as to whether its products are defective. SOHRE's sole obligation for products failing to comply with this warranty shall be, at its option, to replace or issue credit for the nonconforming product where, within fourteen (14) days of the expiration of the warranty period, (i) SOHRE has received written notice of any nonconformity; (ii) after SOHRE's written authorization, Buyer has returned the nonconforming product to SOHRE; and (iii) SOHRE has determined that the product is nonconforming and that such nonconformity is not the result of Buyer's failure to follow SOHRE's warnings or instructions relating installation, operation, maintenance or repair, Buyer's abuse, misuse, neglect, accidental, intentional or deliberate damage or force majeure, or Buyer's unauthorized repair or modification. To the extent permitted by law, this warranty and the remedies set forth above are exclusive and in lieu of all other warranties, remedies, and conditions, whether oral or written, statutory, express or implied, as permitted by applicable law. SOHRE specifically disclaims any and all statutory or implied warranties, including without limitation, warranties of merchantability, design, fitness for a particular purpose, arising from a course of dealing, usage or trade practice, and warranties against hidden or latent defects. If statutory or implied warranties cannot be lawfully disclaimed, then all such warranties are limited to the duration of the express warranty described above and limited by the other provisions contained in this document.
8. This warranty supersedes any prior, contrary, or additional representations, whether written or oral. This warranty is SOHRE's only warranty and may not be changed or enlarged by any agent, employee, distributor, dealer, or other person.

9. LIMITED LIABILITY. The remedies provided for in the above warranty are expressly in lieu of any other liability SOHRE may have. SOHRE's cumulative liability to any party for any loss or damages resulting from any claims, demands, or actions arising out of or relating to any SOHRE product or services, or performance or nonperformance of this Agreement, will not exceed the purchase price paid to SOHRE for the product or service causing the claim, demand or action. In no event will SOHRE be liable for any delay, lost revenue, lost profits, loss of goodwill, or for any other direct, special, indirect, incidental, exemplary, punitive or consequential damages, however caused, whether for breach of warranty, breach of contract, negligence, strict liability, tort or under any other legal theory, even if SOHRE has been advised of the possibility of those damages or if those damages could have been reasonably foreseen, and notwithstanding any failure of essential purpose of any exclusive remedy provided in this warranty. Some local laws do not allow for the limitation or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to Buyer.
10. Buyer agrees to defend, indemnify and hold harmless SOHRE from any and all liability arising out of Buyer's (x) failure to follow SOHRE's warnings or instructions relating to product installation, operation, maintenance or repair, (y) damage caused by abuse, misuse, neglect, accidental, intentional or deliberate damage to the product, or force majeure; (z) damage to a product or part that has been repaired or modified by persons other than SOHRE authorized personnel or without SOHRE's written permission; Buyer agrees to assume all risks of loss and all liability for any damages and personal injury (up to and including death) which may result from (x), (y) or (z).
11. CONFIDENTIAL INFORMATION. Except as required by law, neither party shall use (except for purposes connected with the performance of its obligations to the other hereunder), divulge or communicate to any third party any information provided by the other that it reasonably knows to be confidential.
12. FORCE MAJEURE. SOHRE shall not be liable for any damage or penalty for delay in delivery, or for failure to give notice of delay, when such delay is due to causes beyond the reasonable control of SOHRE, including but not limited to the elements, acts of god, acts of the Buyer, act of civil or military authority, war, terrorist acts, riots, concerted labor action, or shortages of materials. The delivery date shall be deemed extended for a period of time equal to the time lost due to any such excusable delay.
13. COMPLIANCE WITH LAWS. Buyer shall comply with Federal, state, and local laws, rules and regulations pertaining to the goods or services purchased or received under this Agreement. Buyer is advised that the goods and services purchased or received from SOHRE under this Agreement, including but not limited to any related drawings, samples, or technical manuals, may be restricted under the Arms Export Control Act, International Traffic in Arms Regulations (ITAR), Export Administration Act, and/or Export Administration Regulations (EAR). In addition, assembly of SOHRE parts or placing other accessories onto SOHRE products, and/or their transport or resale may violate applicable laws, rules or regulations and are done at Buyer's sole risk. Buyer expressly assumes all responsibility and all liability for its conduct and compliance with all laws, rules and regulations, and SOHRE expressly disclaims any responsibility or liability therefor. Buyer agrees to indemnify and hold SOHRE

harmless from all sums, costs and expenses as a result of any and all loss, expense, damage, liability, claims, and demands, either at law or in equity, arising out of or relating to any of Buyer's actions or failures to act.

- 14.ASSIGNMENT AND SUBCONTRACTING. SOHRE shall be entitled at all times to delegate or assign its rights under the contract (in whole or in part), or to subcontract any part of the work or services to be provided under the contract, as it deems necessary or desirable.
- 15.NOTICES. Any notice hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its last known address. Notice to SOHRE shall be to SOHRE Turbomachinery, Inc. 128 Main Street, PO Box 1099, Monson, Massachusetts 01057 United States.
- 16.WAIVER. Failure by SOHRE to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.
- 17.ATTORNEYS FEES. If SOHRE brings an action to enforce or interpret the provisions of this Agreement, SOHRE shall be entitled to recover reasonable attorneys' fees and all other costs and expenses of such action from the other party, which amounts shall be in addition to any relief that may be awarded.
- 18.APPLICABLE LAW. Any dispute arising out of or related to an Agreement to which these terms and conditions apply shall be resolved exclusively under the laws to the Commonwealth of Massachusetts and in the state or federal courts located in Springfield, Massachusetts, United States of America.
- 19.INTELLECTUAL PROPERTY RIGHTS. SOHRE reserves all intellectual property rights including, but not limited to, patent, copyright, trade dress, and trade secret. Buyer shall not reverse engineer, decompile, or attempt to do so or the like with respect to any SOHRE product.
- 20.SEVERABILITY. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect or impair the validity, legality, or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
- 21.AMENDMENT OF TERMS. These Terms shall not be waived or amended except by SOHRE's express written agreement.